

(c) "Dental plan organization" means a person that provides directly, arranges for, or administers a dental plan on a prepaid or postpaid individual or group capitation basis.

(d) "Dental service" means a service included in practicing dentistry as defined in § 4-101 of the Health Occupations Article.

(e) "Enrollee" means an individual or dependent of the individual who is enrolled in a dental plan.

(f) "Evidence of coverage" means a contract or certificate that is issued to an enrollee and that specifies the dental services to which the enrollee is entitled.

14-404.

(a) In accordance with this section, a dental plan organization shall [obtain a bond or possess surplus for the protection of enrollees] HAVE AND MAINTAIN AT ALL TIMES A SURPLUS EQUAL TO THE GREATER OF:

(1) \$50,000; OR

(2) 2% OF THE ORGANIZATIONS' ANNUAL GROSS PREMIUM INCOME, UP TO A MAXIMUM OF THE REQUIRED CAPITAL AND SURPLUS OF A STOCK INSURER UNDER § 4-103 OF THIS ARTICLE.

[(b) (1) The amount of the surplus or bond shall equal the lesser of:

(i) 7% of the gross contract and certificate income of the dental plan organization for 1 year; or

(ii) \$150,000.

(2) The amount of the surplus or bond shall be adjusted:

(i) within 20 days after a change in the gross contract and certificate income; or

(ii) if necessary, annually on July 1.

(c) (1) Notwithstanding subsection (b) of this section, if the Commissioner determines after a hearing that the surplus or bond provided by the dental plan organization under subsections (a) and (b) of this section is excessive, the Commissioner may reduce the amount of the surplus or bond required.

(2) The Commissioner may not reduce the amount of the surplus or bond unless the Commissioner determines that the dental plan organization is solvent and has surplus assets of at least \$75,000 in excess of liabilities.

(3) A dental plan organization that is allowed to reduce the amount of its surplus or bond under this subsection thereafter shall maintain surplus assets of at least \$75,000 in excess of liabilities.