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Title 28@ Managed Health Care

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Division 1@ The Department of Managed Health Care

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Chapter 2@ Health Care Service Plans

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Article 9@ Financial Responsibility

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Section 1300.76.1@ Deposits

## **1300.76.1 Deposits**

### **(a)**

Except as provided in subsection (b), each plan licensed pursuant to the provisions of the Act shall deposit with the Director or at the discretion of the Director with any bank authorized to do business in this state and insured by the Federal Deposit Insurance Corporation, or savings and loan association doing business in this state and insured by the Savings Association Insurance Fund, an amount which at all times shall have a value of not less than \$300,000, except for plans which only offer specialized health care service contracts, which shall deposit an amount which at all times shall have a value of not less than \$150,000, or plans licensed as discount health plans, which shall deposit an amount which at all times shall have a value of not less than \$50,000. Cash, investment certificates, accounts, or any combination of these shall be assigned to the Director, upon those terms as the Director may prescribe, until released by the Director.

### **(b)**

Each plan licensed pursuant to the provisions of the Act prior to the effective date of this section which only offers specialized health care service contracts shall make a deposit of two-thirds of the amount required by subsection (a) within 6 months of the effective date of this section, and 100 percent of the amount required by subsection (a) within 12 months of the effective date of this section.

### **(c)**

The deposit required by subsection (a) shall be an allowable asset of the plan in the determination of tangible net equity and all income from the deposit shall be an asset of the plan.

**(d)**

A plan that has made a deposit pursuant to subsection (a) may withdraw that deposit or any part thereof, after making a substitute deposit of cash, investment certificates, accounts or any combination of these. Any substitute deposit shall be approved by the Director before being deposited or substituted.

**(e)**

The deposits shall be used to protect the interests of the plan's enrollees and to assure continuation of health care services to enrollees of a plan whenever the Director has brought actions pursuant to sections 1386, 1392, 1393 or 1394.1. The Director may use the deposit for administrative costs directly attributable to a conservatorship, receivership or liquidation.