A bill for an act

relating to insurance; specifying maximum financial surplus for nonprofit health plan companies; proposing coding for new law in Minnesota Statutes, chapter 60A.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. **[60A.7671] LIMIT ON THE SURPLUS OF CERTAIN HEALTH INSURERS.**

(a) Notwithstanding any other law to the contrary, a nonprofit health services corporation operating under chapter 62C and a health maintenance organization operating under chapter 62D must not have statutory capital and surplus, as determined in accordance with the statutory accounting applicable to the annual financial statements required to be filed, in excess of the product of its authorized control level risk-based capital and 3.5. The amounts shall be determined from a financial statement and certified audit filed annually with the commissioner and subject to verification by an examination by the commissioner.

(b) If for any annual financial report the maximum required under this section is exceeded, an entity regulated under this chapter shall transfer the surplus in excess of the maximum to the health care access fund on January 2 of each calendar year pursuant to section 164.724.

EFFECTIVE DATE. This section is effective January 1, 2012, and applies to the surplus reported for calendar year 2012 and thereafter.