62C.09 FINANCIAL REQUIREMENTS.

Subdivision 1. **Generally.** The commissioner shall not issue a certificate of authority to any service plan corporation hereafter organized unless the corporation has met all legal requirements and, if organized on a capital stock basis unless the corporation has paid up capital stock of not less than $200,000 and an initial surplus of not less than $200,000, or, if organized on a membership basis, unless the corporation has an initial surplus of not less than $400,000.

Subd. 2. **Reserve requirements.** A service plan corporation in existence on August 1, 1971, or hereafter formed shall establish and maintain reserves for claims in process, incomplete and unreported claims, retroactive cost adjustments to providers, allowances for subscription charges received from subscribers but not yet earned and all other accrued liabilities in accordance with section 60A.12 as it relates to accident and health insurance companies.

Subd. 3. [Repealed, 2004 c 285 art 3 s 11]

Subd. 4. [Repealed, 2004 c 285 art 3 s 11]

Subd. 5. **Risk-based capital requirement.** A service plan corporation is subject to regulation of its financial solvency under sections 60A.50 to 60A.592.

History: *1971 c 568 s 9; 1977 c 261 s 1; 1977 c 405 s 1; 2004 c 285 art 3 s 2*