

62D.042 INITIAL NET WORTH REQUIREMENT.

Subdivision 1. **Definition.** For purposes of this section, if a health maintenance organization offers supplemental benefits as described in section 62D.05, subdivision 6, "expenses" does not include any expenses attributable to the supplemental benefit.

Subd. 2. **Initial net worth requirement.** Beginning organizations shall maintain net worth of at least 8-1/3 percent of the sum of all expenses expected to be incurred in the 12 months following the date the certificate of authority is granted, or \$1,500,000, whichever is greater.

Subd. 3. [Repealed, 1998 c 407 art 8 s 14]

Subd. 4. **Reduction for reinsurance.** In calculating expenses for purposes of the net worth requirement, a health maintenance organization may subtract 90 percent of the cost of premiums it pays for insurance coverage specified in section 62D.04, subdivision 1, clause (f).

Subd. 5. [Repealed, 2004 c 285 art 3 s 11]

Subd. 6. [Repealed, 2004 c 285 art 3 s 11]

Subd. 7. [Repealed, 2004 c 285 art 3 s 11]

History: 1988 c 612 s 14; 1989 c 282 art 2 s 5; 1993 c 345 art 2 s 1; 1995 c 234 art 7 s 7; 1997 c 205 s 5; 1998 c 407 art 8 s 2; 2004 c 285 art 3 s 5,6,10