

§ 58-50A-25. Solvency requirements.

No insurer shall deliver or issue for delivery a group health plan to a sponsoring association or an employer member of a sponsoring association unless the sponsoring association meets all of the following solvency requirements:

- (1) Has been established and maintained in good faith for a period of at least three years.
- (2) Has at the outset a minimum of 500 individuals eligible for coverage pursuant to G.S. 58-50A-15(a).
- (3) Requires employer members to offer group health coverage to all individuals eligible for coverage under G.S. 58-50A-15(a) for a period of at least one year.
- (4) Maintains a minimum net worth equal to at least one month's premium, which must be held in trust and separate from the sponsoring association's operating assets. This amount shall be adjusted at the beginning of each policy period.
- (5) Maintains at all times an adequate plan for protection against insolvency that is acceptable to the Commissioner. (2019-202, s. 1.)