

§ 58-67-105. Hazardous financial condition.

(a) Whenever the financial condition of any health maintenance organization indicates a condition such that the continued operation of the health maintenance organization might be hazardous to its enrollees, creditors, or the general public, then the Commissioner may order the health maintenance organization to take such action as may be reasonably necessary to rectify the existing condition, including but not limited to one or more of the following steps:

- (1) To reduce the total amount of present and potential liability for benefits by reinsurance;
- (2) To reduce the volume of new business being accepted;
- (3) To reduce the expenses by specified methods;
- (4) To suspend or limit the writing of new business for a period of time; or
- (5) To require an increase to the health maintenance organization's net worth by contribution.

(b) The Commissioner may adopt rules to set uniform standards and criteria for the early warning that the continued operation of any health maintenance organization might be hazardous to its enrollees, creditors, or the general public, and to set standards for evaluating the financial condition of any health maintenance organization, which standards shall be consistent with the purposes expressed in subsection (a) of this section. (1987, c. 631, s. 5.)