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LESTER C. SCHOTT
ASSOCIATE COMMISSIONER
EXAMINATION & AUDITING

BULLETIN 02-1

To: President, Managed Care Organizations

Re: Risk Based Capital Exemption

Date: January 3, 2002

CC: Chief Financial Officers, Managed Care Organizations

On July 5, 2001, the Insurance Commissioner adopted new Regulation .02-1 under COMAR 31.12.06 Managed Care Organizations – Financial Compliance Requirements, effective August 20, 2001. This regulation required that effective with the Annual Statement filed for the year ending December 31, 2001, an MCO shall comply with the risk-based capital requirements of the Insurance Article, Title 4, Subtitle 3 of the Annotated Code of Maryland, unless exempted by the Insurance Commissioner. At the request of the Department of Health and Mental Hygiene, the Insurance Commissioner is granting MCOs an exemption from the risk-based capital requirements for the year ending December 31, 2001.

If you have any questions regarding these matters, please contact Lester C. Schott, Associate Commissioner, at (410) 468-2119.

Steven B. Larsen
Insurance Commissioner