

MARTIN O'MALLEY
Governor

ANTHONY G. BROWN
Lt. Governor



THERESE M. GOLDSMITH
Insurance Commissioner

KAREN STAKEM HORNIG
Deputy Commissioner

CHRISTOPHER W. BUCHANAN
Associate Commissioner
Examination & Auditing

200 St. Paul Place, Suite 2700, Baltimore, Maryland 21202-2272
Direct Dial: 410-468-2129 Fax: 410-468-2101
Email: chris.buchanan@maryland.gov
1-800-492-6116 TTY: 1-800-735-2258
www.mdinsurance.state.md.us

MIA BULLETIN 14-12


DATE: April 22, 2014
TO: Presidents, Managed Care Organizations
RE: Risk-Based Capital Applicability for 2014
CC: Chief Financial Officers, Managed Care Organizations

On July 5, 2001, the Insurance Commissioner adopted 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, a Managed Care Organization (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. MCOs are required to submit a risk-based capital report in conjunction with their Annual Statement filings on March 1 of every year.

An MCO may request that the Insurance Commissioner grant a one-year exemption to the risk-based capital financial requirements, ending December 31, 2014, by submitting a written request accompanied by the MCO's projection indicating how and when it will meet all of the risk-based capital level requirements. This request and all documentation should be submitted to the Insurance Commissioner and the Department of Health and Mental Hygiene. The Insurance Commissioner will issue a letter of determination either granting or disallowing an exemption from the risk-based capital financial requirements to the requesting MCO and the Department of Health and Mental Hygiene.

Any questions about this bulletin should be directed to Lynn Beckner, Chief Financial Analyst, at (410) 468-4126.

THERESE M. GOLDSMITH
INSURANCE COMMISSIONER

BY:  Signature on Original
Christopher W. Buchanan
Associate Commissioner
Examination and Auditing Section