

**40-2d01. Risk-based capital requirements; definitions.** As used in K.S.A. 40-2d01 through 40-2d30, and amendments thereto:

(a) "Adjusted RBC report" means an RBC report which has been adjusted by the commissioner in accordance with K.S.A. 40-2d04, and amendments thereto.

(b) "Corrective order" means an order issued by the commissioner specifying corrective actions which the commissioner has determined are required.

(c) "Domestic health organization" means any health organization which is licensed and organized in this state.

(d) "Foreign health organization" means any health organization not domiciled in this state which is licensed to do business in this state pursuant to articles 19a, 19c or 32 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto.

(e) "NAIC" means the national association of insurance commissioners.

(f) "Health organization" means a health maintenance organization, limited health service organization, dental or vision plan, hospital, medical and dental indemnity or service corporation or other managed care organization licensed under articles 19a, 19c or 32 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto. This definition shall not include an organization that is licensed as either a life and health insurer or a property and casualty insurer under articles 4, 5, 9, 10, 11, 12, 12a, 15 or 16 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, and that is otherwise subject to either the life or property and casualty RBC requirements in K.S.A. 40-2c01 et seq., and amendments thereto.

(g) "RBC" means risk-based capital.

(h) "RBC instructions" means the risk-based capital instructions for managed care organizations promulgated by the NAIC which are in effect on December 31, 1999, or any later version as adopted by the commissioner in rules and regulations.

(i) "RBC level" means a health organization's company action level RBC, regulatory action level RBC, authorized control level RBC, or mandatory control level RBC where:

(1) "Company action level RBC" means, with respect to any health organization, the product of 2.0 and its authorized control level RBC;

(2) "regulatory action level RBC" means the product of 1.5 and its authorized control level RBC;

(3) "authorized control level RBC" means the number determined under the risk-based capital formula in accordance with the RBC instructions; and

(4) "mandatory control level RBC" means the product of .70 and the authorized control level RBC.

(j) "RBC plan" means a comprehensive financial plan containing the elements specified in K.S.A. 40-2d05, and amendments thereto. If the commissioner rejects the RBC plan, and it is revised by the health organization, with or without the commissioner's recommendation, the plan shall be called the "revised RBC plan."

(k) "RBC report" means the report required by K.S.A. 40-2d02, 40-2d03 and 40-2d04, and amendments thereto.

(l) "Total adjusted capital" means the sum of:

(1) A health organization's capital and surplus as determined in accordance with the annual financial statements required to be filed under articles 19a, 19c or 32 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto; and

(2) such other items, if any, as the RBC instructions may provide.

(m) "Commissioner" means the commissioner of insurance.

**History:** L. 2000, ch. 147, § 2; July 1.