

HMO NET WORTH AND DEPOSIT REQUIREMENTS

The date following each state indicates the last time information for the state was reviewed/changed.

STATE	CITATION	NET WORTH	DEPOSIT
AL (4/23)	§ 27-21A-12	<p>The annual deposit requirement shall not apply when an organization has achieved a net worth, not including land, buildings, and equipment, of at least \$1 million or has achieved a net worth including direct investments in organization-related land, buildings, and equipment of at least \$5 million.</p> <p>If the organization has a guaranteeing organization which has been in operation for at least 5 years and has a net worth not including land, buildings and equipment of at least \$1 million or which has been in operation for at least 10 years and has a net worth including direct investments in organization-related land, buildings, and equipment of at least \$5 million, the annual deposit requirement shall not apply; provided, however, that if the guaranteeing organization is sponsoring more than one organization, the net worth requirement shall be increased by a multiple equal to the number of such organizations. This requirement to maintain a deposit in excess of the deposit required of an accident and health insurer shall not apply during any time that the guaranteeing organization maintains for each organization it sponsors a net worth of at least equal to the capital and surplus requirements for an accident and health insurer.</p>	<p>The required deposit for company beginning operation shall be the greater of:</p> <ol style="list-style-type: none"> (1) 5% estimated expenditures for first year; (2) twice estimated average monthly expenditures; (3) \$100,000. <p>At the beginning of each succeeding year, unless not applicable, the organization shall deposit with the commissioner, or organization, or trustee, cash, securities, or any combination of these or other measures acceptable to the commissioner, in an amount equal to 4% of its estimated annual uncovered expenditures for that year.</p>

HMO NET WORTH AND DEPOSIT REQUIREMENTS

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AK (4/23)	§ 21.86.140	<p>The annual deposit requirements do not apply if a HMO has achieved a net worth, not including land, buildings, and equipment, of at least \$1 million or has achieved a net worth, including land, buildings, and equipment, of at least \$5 million. The annual deposit requirements do not apply if a HMO has a guaranteeing organization that (a) does not sponsor any other health maintenance organization; and (b) has been in operation for at least:</p> <ul style="list-style-type: none"> (i) 5 years and has a net worth, not including land, buildings, and equipment, of at least \$1 million; or (ii) 10 years and has a net worth, including land, buildings, and equipment, of at least \$5 million. 	<p>First year deposit of the greater of:</p> <ul style="list-style-type: none"> (1) 10% estimated expenditures; (2) twice estimated monthly expenditures; or (3) \$250,000. <p>At the beginning of each subsequent year, deposit an amount equal to 4% of the estimated annual uncovered expenditures. Each year's estimate shall reasonably reflect the prior year's operating experience and delivery arrangements.</p>
AZ (4/23)	§§ 20-1052; 20-1055	Health care services corporation shall possess unimpaired capital or surplus of \$1.5 million.	Deposit not less than \$500,000.
AR (5/23)	§ 23-76-108	Paid in capital of \$100,000 plus additional working capital or surplus funds deemed adequate by the commissioner.	No provision
CA (4/23)	Health & Safety § 1375.1; 28 CCR § 1300.76.1	HMO must demonstrate a fiscally sound operation and adequate provision against the risk of insolvency, under which may be considered the adequacy of working capital.	Each health care service plan shall deposit a minimum of \$300,000 in cash, certificates, accounts, or combination of these. Plans offering specialized health care service contracts shall deposit a minimum of not less than \$150,000, and plans licensed as discount health plans shall deposit an amount of not less than \$50,000.

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CO (4/23)	§§ 10-16-411 to 10-16-412	HMO initial minimum surplus of \$1.5 million. Commissioner may reduce minimum required surplus by up to \$500,000. Shall maintain a minimum surplus of at least \$1 million.	Initial deposit of \$300,000. Minimum deposit following initial deposit is based on a scheduled rating dependent on number of enrollees: \$300,000 if enrollment less than 60,000; \$350,000 if enrollment of 60,000 but less than 100,000; and \$400,000 if enrollment of 100,000 or more. The deposit shall at all times equal or exceed 25% of the HMO's uncovered expenditures for the previous calendar year.
CT (5/23)	§ 38a-193	Health Care Centers must have an initial net worth of \$1.5 million. To maintain certificate of authority, maintain the greater of \$1 million or 2% annual premium revenues on first \$150 million premium revenues plus 1% premiums over \$150 million.	No provision
DE (4/23)	18 Del.C. §§ 511; 513; 6411	HMO subject to same capital and surplus requirements as a health insurer. HMO must possess at licensing and maintain \$300,000 capital stock or basic surplus, plus \$150,000 free surplus.	Deposit not less than \$100,000 in cash or securities, same as health insurer.
DC (4/23)	§ 31-3412	HMO initial net worth of \$1.5 million shall maintain a minimum of the greater of: (1) \$1 million; (2) 2% of annual dues revenues on first \$150 million of dues and 1% of annual dues in excess of \$150 million; (3) amount equal to the sum of 3 months uncovered health care expenditures on most recent financial statement; or (4) an amount equal to the sum of 8% of annual health care expenditures and 4% of annual hospital expenditures.	Deposit not less than \$300,000 in cash or securities with commissioner.

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FL (4/23)	§§ 641.225; 641.285	<p>HMO shall at all times maintain a minimum surplus in an amount greater than:</p> <ol style="list-style-type: none"> (1) \$1.5 million; or (2) 10% total liabilities based on start-up projection; or (3) 2% of total annualized premiums. <p>HMO will not be granted a certificate of authority unless the HMO has a minimum surplus which is the greater of:</p> <ol style="list-style-type: none"> (1) 10% of total liabilities based on start-up projection; (2) 2% of total projected premiums based on start-up projection; (3) \$1.5 million plus start-up losses, excluding profits, projected to be incurred until the projection reflects net profits for 12 consecutive months. 	Deposit a minimum of \$300,000 in cash or securities.
GA (4/23)	<p>§§ 33-21-3; 33-21-10</p> <p>§§ 33-3-6 to 33-3-7</p>	<p>The HMO is financially responsible and may reasonably be expected to meet its obligations to enrollees. In making this determination, the commissioner may consider the adequacy of working capital.</p> <p>Must possess and maintain a minimum of \$1.5 million in capital stock or in surplus.</p>	Deposit \$100,000 in cash or securities. Commissioner has authority to request additional amounts.
HI (4/23)	§ 432D-8	<p>Initial net worth \$2 million and maintain minimum net worth equal to the greater of:</p> <ol style="list-style-type: none"> (1) \$2 million; (2) 2% annual premium revenues on the first \$150 million and 1% of premium in excess of \$150 million; (3) 3 months uncovered health expenditures; or (4) an amount equal to the sum of 8% of annual health care expenditures and 4% of annual hospital expenditures. 	HMO shall deposit not less than \$300,000 in cash or securities.

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ID (4/23)	§§ 41-313; 41-316A; 41-3905	\$1 million in capital stock or basic surplus plus \$1 million additional surplus, same as for a disability insurer.	A managed care plan must deposit cash and securities in an amount of the minimum capital for a stock insurer and basic surplus of a mutual or reciprocal insurer, with paid-in capital stock of not less than \$1 million and surplus of not less than \$1 million.
IL (4/23)	215 ILCS 125/2-4; 125/2-6	HMO shall maintain net worth of not less than \$1.5 million. HMO that offers point-of-service product must maintain a minimum net worth of not less than: <ol style="list-style-type: none"> (1) The greater of 300% of “authorized control level”; or (2) \$3.5 million if projected annual out-of-plan claims are less than \$500,000; or (3) \$4.5 million if projected annual out-of-plan claims are more than \$500,000 but less than \$1 million; or (4) \$6 million if projected annual out-of-plan claims are \$1 million or greater. 	Deposit securities with value of at least \$300,000. HMO that offers point-of-service must maintain an additional deposit of the greater of \$300,000 or 125% of the annual projected point-of-service claims.
IN (4/23)	§§ 27-13-12-1 to 27-13-12-3; 27-13-13-1	Initial net worth \$1.5 million and maintain a minimum net worth equal to the greater of: <ol style="list-style-type: none"> (1) \$1 million; (2) 2% annual premium revenues on the first \$150 million and 1% of premium in excess of \$150 million; (3) 3 months uncovered health expenditures; or (4) an amount equal to the sum of 8% of annual care expenditures and 4% of annual hospital expenditures. 	Deposit at least \$500,000 in cash or other securities.
IA (4/23)	§§ 514B.5; 514B.16; IAC 191-40.12	A HMO shall not be authorized to transact business with a net worth less than \$1 million.	HMO shall provide surety bond or deposit cash or securities in at least the same amount as a guarantee that its obligations to enrollees will be performed. Commissioner may waive this requirement.

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KS (4/23)	§ 40-3227	<p>Must have initial net worth of \$1.5 million and maintain a minimum net worth equal to the greater of:</p> <ul style="list-style-type: none"> (1) \$1 million; or (2) 2% of annual premium revenues up to \$150 million and 1% of annual premium over \$150 million; or (3) an amount equal to 3 months uncovered health care expenditures; or (4) an amount equal to the sum of 8% health care expenditures and 4% of hospital expenditures. 	<p>Deposit \$150,000 for medical group or staff model HMO and \$300,000 for individual practice association.</p> <p>Deposits may be waived if commissioner is satisfied that:</p> <ul style="list-style-type: none"> (1) The organization has sufficient net worth; or (2) the organization's obligations are guaranteed by an organization with sufficient net worth; or (3) the assets of the organization are reasonably sufficient to assure performance of its obligations.
KY (4/23)	§§ 304.38-070; 304.38-073	Each HMO shall possess and maintain paid-in capital stock of \$1 million and initial surplus of not less than \$2 million.	Deposit of cash or securities in an amount not less than \$500,000. An HMO may be required to furnish an additional deposit if the commissioner determines that an additional deposit is necessary for the protection of the HMO's enrollees.
LA (5/23)	§ 22:254; § 22:801; Advisory Letter No. 2021-02	Have and maintain \$3 million in capital and surplus.	If a deposit in this state is required by another state or jurisdiction as a condition of seeking or maintaining a license or certificate of authority or surplus lines approval, an insurer authorized in Louisiana may make the deposit by notifying the commissioner in writing of the intent to make the deposit. This notice shall include the reason for the deposit and the amount of the deposit to be held and shall specifically identify each jurisdiction for which the deposit is required. The deposit shall be made in a bank doing business in this state or a savings and loan association chartered to do business in this state and shall be pledged to the commissioner. Deposits shall be held in trust for the benefit and protection of, and as security for, all policyholders and creditors of the insurer making the deposit.

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ME (4/23)	24-A M.R.S.A. §§ 4204; 4204-A	<p>HMO shall have initial minimum surplus of \$1.5 million. HMO shall maintain a minimum surplus equal to the greater of:</p> <ol style="list-style-type: none"> (1) \$1 million; (2) 2% annual premium on first \$150 million and 1% annual premium in excess of \$150 million; (3) amount equal to 3 months uncovered health care expenditures; or (4) amount equal to 8% annual health care expenditures; or (5) an amount equal to the company action level RBC. <p>An HMO shall also maintain additional surplus in a reasonable amount in relation to indemnity risks assumed through the issuance of a point-of-services product, net of any applicable reinsurance.</p>	<p>The greater of \$100,000 or 120% of the HMO's liability for uncovered expenditures for enrollees as of the end of the most recent calendar quarter.</p>
MD (4/23)	Health § 19-710	<p>HMO licensed on or after 7/1/89 shall have initial surplus of at least \$1.5 million. HMOs shall maintain a surplus equal to the greater of \$750,000 or 5% of subscription charges earned during the prior year. No HMO shall be required to maintain a surplus of over \$3 million. Also must meet risk-based capital requirements.</p>	<p>Deposit \$100,000 in cash or government securities.</p> <p>Commissioner may waive the surplus and deposit requirements if commissioner is satisfied that:</p> <ol style="list-style-type: none"> (1) HMO has sufficient net worth; (2) HMO obligations are guaranteed; (3) the HMO's assets are sufficient to reasonably assure performance of obligations.

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MA (4/23)	§§ 176G:15; 176G:25; 176G:26 211 CMR §§ 43.06 to 43.07	<p>\$1.5 million initial net worth. HMO shall maintain ongoing net worth the greater of:</p> <ol style="list-style-type: none"> (1) \$1 million (2) 2% annual premium on first \$150 million and 1% annual premium in excess of \$150 million; (3) amount equal to 3 months uncovered health care expenditures; or (4) sum equal to 8% annual health care expenditures and 4% annual hospital expenditures. 	<p>HMO shall deposit not less than \$1 million with the commissioner. The commissioner may waive the deposit requirement if the HMO has contracted with an insurance carrier for the purpose of reinsurance. If in the opinion of the commissioner the deposit requirement would be inadequate to protect the interests of enrolled members, the deposit shall be appropriately adjusted.</p>
MI (4/23)	§§ 500.3551; 500.3553	<p>To obtain a certificate of authority, an HMO shall possess and maintain unimpaired net worth in an amount determined adequate by the director, but not in an amount less than the following as applicable:</p> <p>For a health maintenance organization that contracts with or employs providers in numbers sufficient to provide 90% of the health maintenance organization's benefit payout, minimum net worth is the greatest of the following:</p> <ol style="list-style-type: none"> (1) \$1.5 million; (2) 4% of the health maintenance organization's subscription revenue; (3) 3 months uncovered expenditures. <p>For a health maintenance organization that does not contract with or employ providers in numbers sufficient to provide 90% of the health maintenance organization's benefit payout, minimum net worth is the greatest of the following:</p> <ol style="list-style-type: none"> (1) \$3 million; (2) 10% of the health maintenance organization's subscription revenue; (3) 3 months uncovered expenditures. 	<p>To obtain a certificate of authority, an HMO shall possess and maintain a deposit in an amount determined adequate by the director, but not less than \$100,000 plus 5% of annual subscription revenue up to \$1 million maximum deposit.</p>

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MN (4/23)	§§ 62D.041 to 62D.042	Beginning organizations shall maintain net worth of at least 8.33% of the sum of all expenses expected to be incurred in the 12 months following the date the certificate of authority is granted, or \$1.5 million, whichever is greater. In calculating expenses, a HMO may subtract 90% of premiums for reinsurance coverage.	Beginning organizations: \$500,000 plus an additional amount to make the deposit equal 33% of uncovered expenditures by April 1 of the year following the HMO's first 12 months of operation. By April 1 of subsequent years, an organization shall deposit equal to the difference between the deposit and 33% of uncovered expenditures in the preceding year.
MS (4/23)	§ 83-41-325	HMO shall have net worth of \$1.5 million and shall maintain a minimum net worth equal to the greater of: <ul style="list-style-type: none"> (1) \$1 million; or (2) 2% annual premium revenues on the first \$150,000 of premium and 1% of annual premiums in excess of \$150 million; or (3) an amount equal to 3 months uncovered health care expenditures; or (4) for HMO in which 75% or more of providers are paid on a capitated basis: <ul style="list-style-type: none"> – 8% of annual health care expenditures except those paid on a capitated basis or managed hospital payment basis; and – 4% of annual hospital expenditures paid on a managed hospital payment basis. 	Minimum deposit \$500,000 in cash or securities. Commissioner may reduce or eliminate deposit requirement if the HMO made deposit in state or jurisdiction of domicile for protection of all subscribers and enrollees, wherever located. If the commissioner becomes aware of a need for additional deposits, he may order a HMO to place additional deposits to meet the need to protect securities.

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MO (4/23)	§ 354.410; 20 CSR 200-1.040	<p>New HMO must have net worth of at least 10% of the yearly average of the 3-year annual premium projected, or \$300,000 if an individual practice association or \$150,000 if a medical group/staff.</p> <p>After first year, an existing HMO must maintain net worth of at least 2% of annual premium or \$300,000/150,000, whichever is greater.</p>	<p>A new HMO must deposit the greater of</p> <ol style="list-style-type: none"> (1) 5% of estimated expenditures for health care services for first year of operation; (2) twice its estimated average monthly uncovered expenditures for its first year; or (3) \$150,000 for group/staff model, or \$300,000 for individual practice association. <p>Each year deposit an amount equal to 4% of estimated uncovered expenditures. The annual deposit requirements will not apply if net worth not including land and buildings of \$1 million, or \$5 million including land and buildings or if HMO has a guaranteeing organization meeting these net worth requirements.</p>
MT (4/23)	§ 33-31-216	<p>HMO licensed after 10/1/99 must have minimum capital of at least \$750,000 (deposit must be included in capital calculation). When a HMO achieves a net worth not including land, buildings, and equipment of at least \$1 million or achieves a net worth including organization-related land, buildings, and equipment of at least \$5 million, the annual deposit requirement does not apply.</p>	<p>HMO shall deposit in its first year of operation \$200,000. Each succeeding year add 4% of estimated annual uncovered expenditures. The commissioner may waive the deposit requirements if:</p> <ol style="list-style-type: none"> 1. The HMO has sufficient net worth and adequate history of generating net income to ensure its financial viability; 2. the HMO's performance and obligations are guaranteed by an organization with sufficient net worth and an adequate history of generating net income; or 3. the HMO's assets or its contracts are reasonably sufficient to ensure the performance of its obligations.

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NE (4/23)	§§ 44-32,138 to 44-32,139	Initial net worth \$1.5 million; shall maintain net worth equal to the greater of: (1) \$1 million; or (2) 2% annual premium on first \$150 million premium revenue and 1% premium revenues over \$150 million.	A value not less than \$300,000 in cash or securities. Director may reduce or eliminate deposit requirement if HMO made deposit in state or jurisdiction of domicile for protection of all subscribers and enrollees of HMO wherever located.
NV (4/23)	NRS 695C.270; NAC 695C.130	HMO shall maintain a minimum net worth equal to the greater of: (1) \$1.5 million; (2) 2% annual premium on first \$150 million premium revenue and 1% premium revenues over \$150 million; or (3) the amount of required risk-based capital.	HMO shall maintain a surety bond or deposit of cash or securities of not less than \$250,000. In addition, the HMO shall maintain a portion of not less than \$500,000 of the required minimum net worth in the form of a deposit of cash or securities. The commissioner may waive this requirement when satisfied the organization can sufficiently assure performance of its obligations.
NH (4/23)	§ 420-B:25	Initial net worth \$6 million; shall maintain net worth equal to the greater of: (1) \$6 million; or (2) 7.5% of annual premium revenues. If at any time uncovered expenditures exceed 15% of total health care expenditures, HMO shall increase required net worth by 120% of HMO's outstanding liability for uncovered expenditures. Increase shall not exceed \$5 million. In addition, the commissioner shall require additional capital if he finds that the HMO does not have reasonable and adequate specific stop-loss reinsurance for its individual members.	No specific deposit requirements.

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NJ (5/23)	§ 26:2J-14; N.J.A.C. 11:24-11.1; 11:24-11.4	<p>In order to obtain a certificate of authority, HMO must have net worth of \$1.5 million, adjusted annually for inflation. Must maintain an amount equal to the greater of:</p> <ol style="list-style-type: none"> (1) \$1 million, adjusted annually; (2) 2% annual premium revenues on first \$150 million and 1% of annual premium on premium in excess of \$150 million; (3) an amount equal to 3 months uncovered health care expenditures; or (4) a sum equal to 8% annual health care expenditures for enrollees under prepaid contracts and 4% annual hospital expenditures for enrollees of prepaid contracts. <p>Every HMO shall submit a capital and surplus (minimum net worth) guarantee executed by an affiliate or parent of the HMO that is not in an unsafe or unsound financial condition, except that an HMO that has no such parent or affiliate shall demonstrate to the satisfaction of the commissioner that other additional financial resources are available to the HMO to maintain the HMO's minimum net worth requirement.</p>	<p>HMO shall deposit cash or a bond that will assure that the obligations to the enrollees will be performed as prescribed by the commissioner. Regulation specifies no less than \$300,000 deposit, adjusted annually for inflation. In order to maintain a certificate of authority, every HMO shall annually adjust the deposit equal to 20 percent of its minimum net worth, except that such deposit shall be no less than \$300,000 and no more than \$1 million (as the minimum and maximum amounts are adjusted annually for inflation).</p>
NM (4/23)	§ 59A-46-13	<p>Initial net worth \$1.5 million; shall maintain the greater of:</p> <ol style="list-style-type: none"> (1) \$1 million; (2) 2% annual premium revenues on first \$150 million and 1% of annual premium on premium in excess of \$150 million; (3) an amount equal to 3 months uncovered health care expenditures; or (4) a sum equal to 8% annual health care expenditures for enrollees under prepaid contracts and 4% annual hospital expenditures for enrollees under prepaid contracts. 	<p>No less than \$300,000 in cash and/or securities. The superintendent may reduce or eliminate the deposit requirement if the HMO makes a deposit with the state or jurisdiction of domicile for the protection of all subscribers and enrollees.</p>

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NY (5/23)	Pub. Health Law § 4403; 10 NY ADC 98-1.11	HMO demonstrates that it is financially responsible and can meet its obligations to its enrolled members. Upon an HMO reaching its maximum contingent reserve of 12.5 percent of its net premium income for a calendar year, it must continue to maintain its contingent reserve at this level thereafter. Such contingent reserve requirement shall be deemed to have been met if the net worth of the HMO, based upon admitted assets, equals or exceeds the applicable contingent reserve requirement for such calendar year.	Greater of 5% of estimated expenditures for calendar year or \$100,000.
NC (4/23)	§§ 58-67-25; 58-67-110	HMO shall maintain net worth equal to the greater of \$1 million or the amount required pursuant to the risk-based capital provisions. Each single service HMO shall maintain a minimum net worth equal to the greater of \$50,000 or the amount pursuant to the RBC provisions.	HMO shall deposit a minimum of \$500,000 for all full service HMOs, or such higher amount as is necessary for protection of enrollees. HMO shall deposit a minimum of \$25,000 for all single service HMOs, or such higher amount as is necessary for protection of enrollees.
ND (4/23)	§ 26.1-18.1-12	HMO initial net worth \$1 million. Thereafter, maintain the greater of: (1) \$1 million; (2) 2% annual premium revenue on first \$150 million and 1% annual premium in excess of \$150 million; (3) 3 months uncovered health care expenditures; or (4) sum of 8% annual health care expenditures and 4% annual hospital expenditures.	Not less than \$300,000. The commissioner may reduce or eliminate the deposit requirement if the HMO makes a deposit with the state or jurisdiction of domicile for the protection of all subscribers and enrollees.

HMO NET WORTH AND DEPOSIT REQUIREMENTS

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OH (4/23)	§§ 1751.27 to 1751.28	<p>Health insuring corporation shall maintain total admitted assets equal to at least 110% of liabilities, and</p> <ol style="list-style-type: none"> (1) Health insuring corporation authorized to provide basic health care services, but is not provider organization, shall maintain net worth of no less than \$1.2 million. (2) Health insuring corporation authorized to provide only supplemental health care services shall maintain net worth of no less than \$500,000. (3) Health insuring corporation authorized to provide only specialty health care services shall maintain net worth of no less than \$250,000. (4) Health insuring corporation authorized to provide both basic health care services and supplemental health care services, but is not a provider sponsored organization, shall maintain net worth of no less than \$1.7 million. (5) Health insuring corporation authorized to provide both basic health care services and specialty, but is not a provider sponsored organization, shall maintain net worth of no less than \$450,000. (6) Health insuring corporation authorized to provide basic health care services, which is a provider sponsored organization, shall maintain net worth of no less than \$1 million. (7) Health insuring corporation authorized to provide both basic health care services and supplemental health care services, which is a provider organization, shall maintain net worth of no less than \$1.5 million. (8) Health insuring corporation authorized to provide both basic health care services and specialty and is a provider sponsored organization shall maintain net worth of no less than \$1.25 million. 	<p>Health insuring corporation shall deposit not less than:</p> <ol style="list-style-type: none"> (1) \$250,000 for basic health services; (2) \$150,000 for supplemental health care services; (3) \$75,000 for specialty health care services; (4) \$400,000 for both health care services and supplemental health care services; and (5) \$325,000 for both basic health care services and specialty health care services.

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OK (4/23)	36 Okl.St. Ann. §§ 6906; 6913	HMO shall maintain an initial net worth of \$1.5 million. Thereafter maintain the greater of: (1) \$1.5 million; (2) 2% annual premium revenue on first \$150 million and 1% annual premium revenue in excess of \$150 million; (3) 3 months uncovered health care expenditures; or (4) 8% annual health care expenditures and 4% annual hospital expenditures.	HMO shall maintain a fidelity bond or insurance at a minimum of \$250,000 and an aggregate of \$5 million for HMOs owned by a common partner, or the sum prescribed by the commissioner. The HMO shall deposit with the commissioner cash and/or securities in an amount no less than \$500,000.
OR (4/23)	§ 750.045	HMO shall possess and maintain capital or surplus of no less than \$2.5 million. HMO applying for its original certificate of authority shall possess, when first so authorized, additional capital or surplus, or any combination thereof, of not less than \$500,000.	Surety bond or other bond or securities of \$250,000.
PA (4/23)	31 Pa. Code § 301.121	For new plans, an initial net worth \$1.5 million. Operating HMOs maintain a net worth equal to the greater of \$1 million or 3 months uncovered health care expenditures. Existing HMOs have 4 years to meet the net worth requirements in increments of \$250,000 as of January 1 of each year. The plan is required to include the uncovered expenses amount, if applicable, in the fifth year.	HMO shall deposit cash, securities, or a bond in the amount of at least \$100,000.
PR (5/23)	26 L.P.R.A. §§ 1904; 1914	The commissioner may issue or deny a certificate of authority based on a determination as to whether the HMO has financial stability. The commissioner may consider the adequacy of operating capital in this determination.	\$600,000 in eligible assets.

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RI (5/23)	§§ 27-41-13 to 27-41-13.3	<p>Maintain higher of risk-based capital requirement or \$3 million. Director may require a higher amount. Maintain \$2.5 million or RBC requirement. May adjust for inflation.</p> <p>The director may waive any of the net worth requirements whenever satisfied that the HMO has sufficient net worth and/or total adjusted capital and an adequate history of generating net income to assure its financial viability for the next year, or its performance and obligations are guaranteed by an organization with sufficient net worth and an adequate history of generating net income. However, in no event shall the net worth requirement be less than \$2.5 million.</p> <p>When net worth, not including building, land, and equipment reaches \$1 million or \$5 million including building, land, and equipment, deposit requirements do not apply.</p>	<p>HMO shall deposit during the first year the greater of:</p> <ol style="list-style-type: none"> (1) 5% of its expenditures for health care services; (2) twice estimated average monthly uncovered expenses; or (3) \$100,000. <p>Thereafter: 4% estimated annual uncovered expenses.</p> <p>The director may waive any of the deposit requirements whenever satisfied that the organization has sufficient net worth and an adequate history of generating net income to assure its financial viability for the next year, or its performance and obligations are guaranteed by an organization with sufficient net worth and an adequate history of generating net income, or the assets of the organization or its contracts.</p>
SC (5/23)	§§ 38-33-100; 38-33-130	HMO must have a net worth of \$1.2 million, \$600,000 of which must be capital if a stock HMO. HMO must maintain net worth of \$750,000, \$600,000 of which must be capital if it is a stock HMO.	HMO shall deposit and maintain \$300,000 in cash or securities. The director may require deposits in excess of the amount specified if in the director's opinion the additional deposits are necessary for the protection of enrollees and the public.
SD (5/23)	§§ 58-41-11; 58-41-17(4); 58-41-18	HMO must be financially responsible and reasonably expected to meet its obligations to enrollees. In making this determination, the director may consider the adequacy of its working capital.	HMO shall furnish a surety bond or deposit cash or securities in an amount satisfactory to the director as a guarantee that the obligations to the enrollees will be performed. Director may waive deposit requirement if satisfied that HMO assets are sufficient to reasonably assure the performance of its obligations.
TN (5/23)	§ 56-32-112	Initial net worth of \$1.5 million. Maintain minimum net worth equal to the greater of \$1.5 million; or 4% of the first \$150 million of annual premium revenue plus 1.5% of the annual premium in excess of \$150 million.	Before transacting business, deposit and maintain \$900,000. In addition, maintain deposit of \$100,000 for each \$10 million (or fraction) in premium revenue in excess of \$20 million but less than \$100 million, and \$50,000 for each \$10 million (or fraction) in excess of \$100 million.

HMO NET WORTH AND DEPOSIT REQUIREMENTS

STATE	CITATION	NET WORTH	DEPOSIT
TX (5/23)	I.C. §§ 843.403; 843.405; 28 TAC 11.801 to 11.802	Minimum net worth of \$1.5 million for HMO offering basic health care services; \$1 million for HMO offering limited health care services; \$500,000 for HMO offering single care service.	Initial deposit \$100,000 if a basic service HMO. Initial deposit \$75,000 if a limited service HMO. Initial deposit \$50,000 if a single service HMO.
UT (5/23)	§§ 31A-8-209; 31A-8-211	HMO shall have and maintain a minimum capital or permanent surplus of \$100,000 plus compulsory surplus. The HMO shall maintain qualified assets equal to the greater of \$1.3 million or the company action level RBC. A limited health plan shall maintain minimum capital and surplus of not less than \$10,000 or exceed \$100,000.	HMO shall maintain a deposit of \$100,000 and 50% of the greater of: (1) \$900,000; (2) 2% of the annual premium revenues; or (3) an amount equal to 3 months uncovered health care expenditures.
VT (5/23)	8 V.S.A. § 5102b	Initial net worth \$1.5 million. Must maintain minimum net worth equal to the greater of: (1) \$1.5 million; (2) 2% annual premium revenues on first \$150 million plus 1% annual premium over \$150 million; (3) an amount equal to 3 months uncovered expenditures; or (4) a sum equal to 10% of annual health care expenditures related to Vermont business plus 4% of annual hospital expenditures related to Vermont business.	HMO shall deposit a value of not less than the greater of; (1) \$300,000; (2) 50% of an amount equal to 10% of annual health care expenditures related to Vermont business plus 4% of annual hospital expenditures related to Vermont business; or (3) such other amount as the commissioner may require.
VI (5/23)	No provision		

HMO NET WORTH AND DEPOSIT REQUIREMENTS

STATE	CITATION	NET WORTH	DEPOSIT
VA (5/23)	§§ 38.2-4302; 38.2-4310; 38.2-4310.1	Net worth in an amount at least equal to the sum of uncovered expenses, but not less than \$600,000, up to a maximum of \$4 million.	Not less than \$300,000 initial deposit. Commissioner shall review yearly and may require additional deposits equal to the greater of the sum of all uncovered expenses for the most recent 3 months or the value of liabilities representing uncovered health care expenses. Commissioner may reduce, waive, or return the deposit when satisfied that the assets are sufficient to insure performance of the HMO's obligations. An HMO that has experienced an operating profit for the 2 most recent years may request that its deposit requirement be reduced.
WA (5/23)	§§ 48.46.235; 48.46.237; 48.46.240	HMO must maintain net worth equal to the greater of: (1) \$3 million; or (2) 2% of annual revenues on first \$150 million of premium and 1% of premium in excess of \$150 million; or (3) amount equal to 3 months uncovered expenditures.	Funded reserve shall be deposited with the commissioner in cash, securities; an approved surety bond, or any combination of these, in an amount equal to or in excess of \$150,000.
WV (5/23)	§ 33-25A-4	The HMO is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. In making this determination, the commissioner may consider for-profit HMO is financially sound if it has paid in capital stock of \$1 million; nonprofit HMO has \$1 million in statutory surplus funds; and both profit and nonprofit have additional surplus funds of at least \$1 million.	Deposit of cash or government securities of \$100,000.

HMO NET WORTH AND DEPOSIT REQUIREMENTS

STATE	CITATION	NET WORTH	DEPOSIT
WI (5/23)	§§ 609.96 to 609.98	<p>The minimum capital and surplus for an HMO is \$750,000.</p> <p>HMO shall maintain compulsory surplus as follows:</p> <ul style="list-style-type: none"> (1) the greater of \$750,000; or (a) if less than 90% of covered liabilities, 6% of earned premiums earned in the previous 12 months; (b) if at least 90% of covered liabilities, 3% of earned premiums earned in the previous 12 months. <p>The commissioner may require a greater amount or permit a lesser amount by rule or order.</p>	<p>Deposit 0.33% of premiums written in the state, unless otherwise provided by rule or order. A deposit may be released with the approval of the commissioner and to the extent that the deposit exceeds 1% of premiums written by the HMO in the preceding year and the deposit is not necessary to pay an assessment.</p>
WY (5/23)	§ 26-34-114	<p>HMO shall have an initial net worth of \$1.5 million and shall maintain a minimum net worth equal to the greater of:</p> <ul style="list-style-type: none"> (1) 2% of annual premium revenues on first \$75 million of premium; and 1% of annual premium in excess of \$75 million; (2) 3 times the average monthly uncovered health care expenditures; (3) \$1 million; or (4) an amount equal to the sum of 8% of annual health expenditures, and 4% of annual hospital expenditures paid on a managed hospital payment basis. 	<p>Minimum deposit not less than \$300,000. The commissioner may reduce or eliminate any of the deposit requirements if he is satisfied that the HMO has deposited with the state or jurisdiction of domicile for the protection of all subscribers and enrollees, wherever located.</p>

This chart does not constitute a formal legal opinion by the NAIC staff on the provisions of state law and should not be relied upon as such. Every effort has been made to provide correct and accurate summaries to assist the reader in targeting useful information. For further details, the statutes and regulations cited should be consulted. The NAIC attempts to provide current information; however, readers should consult state law for additional adoptions.