

2012 Kansas Statutes

40-2d06. Risk-based capital; company action level event; submission of RBC plan. In the event of a company action level event, the health organization shall prepare and submit to the commissioner an RBC plan which shall:

(a) Identify the conditions in the health organization's operation which contribute to the company action level event;

(b) contain proposals of corrective actions which the health organization intends to take that would be expected to result in the elimination of the company action level event;

(c) provide projections of the health organization's financial results in the current year and at least the two succeeding years, both in the absence of the proposed corrective actions and giving effect to the proposed corrective actions, including projections of statutory balance sheets, operating income, net income, capital and surplus, and RBC levels. The projections for both new and renewal business may include separate projections for each major line of business and separately identify each significant income, expense and benefit component;

(d) identify the key assumptions impacting the health organization's projections and the sensitivity of the projections to the assumptions; and

(e) identify the quality of, and problems associated with, the health organization's business, including, but not limited to, its assets, anticipated business growth and associated surplus strain, extraordinary exposure to risk, mix of business and use of reinsurance in each case, if any.

History: L. 2000, ch. 147, § 7; July 1.