



DEPARTMENT OF COMMERCE

INSURANCE DIVISION

201 South Fall Street

Carson City, Nevada 89710

(702) 885-4270

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BULLETIN 87-002

Reserves for Non-Profit Medical Service Corporations

There has been some confusion concerning the reserves to be held by non-profit medical and dental service corporations as required by NRS 695B.140. These corporations do not have capital stock issued and therefore do not meet the requirements for capital and surplus for insurers pursuant to chapter 680A of NRS.

When evaluating the reserves required by NRS 695B.140, the Division will apply the following standards:

1. All reserves must be noted on the annual statement of the service corporation as statutory reserves and must meet the total amounts required in NRS 695B.140 based upon the number of members in the corporation.
2. Each service corporation must report on its annual statement the number of members in its plan as of December 31.
3. The reserves held by the service corporation must be segregated and held as cash or a cash equivalent deposited in a bank within the state of Nevada.
4. The reserves cannot include any money held by a service corporation for its incurred but not reported claims, for the payment of claims, or for other reserves required for its daily operations.

Any questions on the reserves or the annual reports to be made by each service corporation may be addressed to the Chief Financial Examiner, David Carbon, at the Division of Insurance, 201 South Fall Street, Carson City, Nevada 89710, telephone (702) 885-4270.


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Commissioner of Insurance