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DEPARTMENT OF COMMERCE

INSURANCE DIVISION

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**PREMIUM TAX AND INSOLVENCY RESERVES
REQUIRED BY NAC 695C.137**


Pursuant to regulations adopted by the Division of Insurance in NAC 695C.137, each health maintenance organization (HMO) licensed in Nevada is required to maintain an account with the following reserves:

1. An amount equal to the premium owed pursuant to Chapter 680B of NRS; and
2. After the first year of operation, an amount equal to twice its actual average monthly uncovered expenditures or \$500,000 whichever is greater.

The reserves held by an HMO pursuant to NAC 695C.137 are required to be maintained in a trust account in a federally insured financial institution in Nevada.

The requirement of this Bulletin is in addition to the requirements set forth in Bulletin 87-1 issued January 14, 1987.

Proof of compliance with the requirements contained herein must be submitted to the division within 30 days from this date.



DAVID A. GATES
Commissioner of Insurance

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