
(a) Before issuing or continuing any such license, the Commissioner of Insurance may make such an examination or investigation as he deems expedient. The Commissioner of Insurance shall issue a license upon the payment of the application fee prescribed in G.S. 58-67-160 and upon being satisfied on the following points:

1. The applicant is established as a bona fide health maintenance organization as defined by this Article;
2. The rates charged and benefits to be provided are fair and reasonable;
3. The amounts provided as working capital are repayable only out of earned income in excess of amounts paid and payable for operating expenses and expenses of providing services and such reserve as the Department of Insurance deems adequate, as provided hereinafter;
4. That the amount of money actually available for working capital be sufficient to carry all acquisition costs and operating expenses for a reasonable period of time from the date of the issuance of the license and that the health maintenance organization is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees. Such working capital shall initially be a minimum of one million five hundred thousand dollars ($1,500,000) for any full service medical health maintenance organization. Initial working capital for a single service health maintenance organization shall be a minimum of one hundred thousand dollars ($100,000) or such higher amount as the Commissioner shall determine to be adequate.

(b) In making the determinations required under this section, the Commissioner shall consider:

1. The financial soundness of the health care plan's arrangements for health care services and the schedule of premiums used in connection therewith;
2. The adequacy of working capital;
3. Any agreement with an insurer, a hospital or medical service corporation, a government, or any other organization for insuring the payment of the cost of health care services or the provision for automatic applicability of alternative coverage in the event of discontinuance of the plan;
4. Any agreement with providers for the provision of health care services; and
5. Any firm commitment of federal funds to the health maintenance organization in the form of a grant, even though such funds have not been paid to the health maintenance organization, provided that the health maintenance organization certifies to the Commissioner that such funds have been committed, that such funds are to be paid to the health maintenance organization with a current fiscal year and that such funds may be used directly for operating purposes and for the benefit of enrollees of the health maintenance organization.

(c) A license shall be denied only after compliance with the requirements of G.S. 58-67-155. (1977, c. 580, s. 1; 1979, c. 876, s. 1; 1983, c. 386, s. 2; 1987, c. 631, ss. 2, 4, 8; 1987 (Reg. Sess., 1988), c. 975, s. 1; 2003-212, s. 26(n).)