WEST VIRGINIA CODE: §33-40A-1

§33-40A-1. Definitions.

As used in this article, these terms have the following meanings:

(a) “Adjusted RBC report” means an RBC report which has been adjusted by the commissioner in accordance with subsection (d), section two of this article.

(b) “Corrective order” means an order issued by the commissioner specifying corrective actions which the commissioner has determined are required.

(c) “Domestic health organization” means a health organization domiciled in this state.

(d) “Foreign health organization” means a health organization that is licensed to do business in this state under article twenty-five-a of this chapter but is not domiciled in this state.

(e) “Health organization” means a health maintenance organization licensed under article twenty-five-a of this chapter, limited health service organization licensed under article twenty-five-d of this chapter, provider-sponsored network licensed under article twenty-five-g of this chapter, hospital, medical and dental indemnity or service corporation licensed under article twenty-four of this chapter or other managed care organization licensed under article twenty-five of this chapter. This definition does not include an organization that is licensed under article three of this chapter as either a life or health insurer or a property and casualty insurer and that is otherwise subject to either the life and health or property and casualty RBC requirements.

(f) “NAIC” means the National Association of Insurance Commissioners.

(g) “Negative trend” means a negative trend over a period of time, as determined in accordance with the trend test calculation included in the RBC instructions.

(h) “RBC instructions” means the RBC report including risk-based capital instructions adopted by the NAIC, as these RBC instructions may be amended by the NAIC from time to time in accordance with the procedures adopted by the NAIC.

(i) “RBC level” means a health organization’s company action level RBC, regulatory action level RBC, authorized control level RBC, or mandatory control level RBC where:

(1) “Company action level RBC” means, with respect to any health organization, the product of 2.0 and its authorized control level RBC;

(2) “Regulatory action level RBC” means the product of 1.5 and its authorized control level RBC;

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(3) “Authorized control level RBC” means the number determined under the risk-based capital formula in accordance with the RBC instructions;

(4) “Mandatory control level RBC” means the product of .70 and the authorized control level RBC.

(j) “RBC plan” means a comprehensive financial plan containing the elements specified in subsection (b), section three of this article. If the commissioner rejects the RBC plan, and it is revised by the health organization, with or without the commissioner’s recommendation, the plan shall be called the “revised RBC plan”.

(k) “RBC report” means the report required in section two of this article.

(l) “Total adjusted capital” means the sum of:

(1) A health organization’s statutory capital and surplus (i.e. net worth) as determined in accordance with the statutory accounting application to the annual financial statements required to be filed under:

(A) Section four, article twenty-four of this chapter;

(B) Section nine, article twenty-five of this chapter;

(C) Section nine, article twenty-five-a of this chapter; or

(D) Section twelve, article twenty-five-d of this chapter; and

(2) Such other items, if any, as the RBC instructions may provide.

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