

WAC 200-110-040 Standards for solvency—Program funding requirements. (1) All individual and joint health and welfare programs self-insuring medical benefits shall establish program reserves in an amount equal to sixteen weeks of program expenses.

(2) All individual and joint health and welfare self-insurance programs providing either vision, dental or prescription drug benefits or any combination of programs thereof shall establish and maintain program reserves in an amount not less than eight weeks of program expenses for each program offered. An additional contingency reserve is recommended, but not required.

(3) In lieu of the requirements stated in subsections (1) and (2) of this section, all individual and joint health and welfare self-insurance programs providing either medical, vision, dental or prescription drug benefits or any combination thereof must obtain an independent actuarial study of estimated outstanding program liabilities as of fiscal year ending and maintain funds equal to or greater than the actuarially determined program liability at fiscal year ending.

(4) All programs in existence less than one year shall establish reserves according to the initial plan submitted and approved by the state risk manager.

(5) Self-insurance programs that do not meet requirements for program reserves as of the program's year end shall notify the state risk manager of the condition. The state risk manager shall require the program submit a corrective action plan within sixty days of year end. The state risk manager will notify the program in writing of denial or approval of the corrective action plan within thirty days of submission.

(6) Failure to meet the requirements of the approved corrective action plan may result in further remedial action by the state risk manager, including the service of a cease and desist order upon the program.

[Statutory Authority: RCW 48.62.061. WSR 17-22-048, § 200-110-040, filed 10/25/17, effective 11/25/17. Statutory Authority: 2011 c 43. WSR 11-23-093, recodified as § 200-110-040, filed 11/17/11, effective 11/17/11. Statutory Authority: RCW 48.62.061. WSR 10-20-102, § 82-65-040, filed 10/1/10, effective 11/1/10.]