HMO INSURER—COMPULSORY & SECURITY SURPLUS CALCULATION

Ref: Sections 623.11, 611.26 (1), 609.97, and 609.98, Wis. Stat.

State of Wisconsin
Office of the Commissioner of Insurance
P. O. Box 7873
Madison, WI 53707-7873

INSTRUCTIONS: This form is required as of March 31, June 30, September 30, and December 31. Complete it, using the **prior 12 months' nationwide data**. Send completed form with all quarterly and annual statement filings. Include on Line 1, Column 1, all premium on all policies issued by the HMO for expected use by enrollees outside the HMO's normal service area, or on policies which allow enrollees the option of using nonparticipating providers without referral.

Insurer Name	For 12 Months Ending

		(1) Incidental Indemnity Premium	(2) HMO Business
1.	PREMIUMS EARNED (net of reinsurance expense incurred)		
2.	Compulsory Factor*	10%	
3.	Total [Line 1 x 2]		
4.	Compulsory surplus [greater of sum of Columns 1 and 2, Line 3 above or $750,000*]		
5.	Security surplus factor: enter percentage from attached table of security surplus percentage basing percentage on premium entered on Line 1 above		
6.	Security surplus [Line 4 x Line 5]		
7.	Calculation of assets for compulsory surplus purposes		
	a. Assets (Page 2, Col. 3, Line 23)		
	b. Security Fund Deposits under s. 609.98, Wis. Stat., included in Line 7.a.		
	c. Adjustment for security surplus of insurance subsidiaries		
	d. Assets for compulsory surplus purposes [a - b - c]		
8.	Liabilities (Page 3, Col. 3, LIne 18)		
9.	Subtotal [Line 7.c. less Line 8]		
10.	Compulsory surplus [Line 4 above]		
11.	Compulsory excess (deficiency) [Line 9 less Line 10]		
12.	Security excess (deficiency) [Line 9 less Line 6]		

* Compulsory Factor for HMO business is 3% for HMOs whose covered expense ratio is greater than 90% and 6% for those whose covered expense ratio is less than 90%, but greater than 65%.

The information given in this form is a true and accurate representation of the compulsory and security surplus requirements of the above-named insurer.

Title of Officer	Name of Officer (Type or Print)
Date	Signature of Officer

TABLE OF SECURITY SURPLUS PERCENTAGES

Premiums Earned* More Than	Less Than	Security Surplus %
0	43	140
43	76	139
76	109	138
109	142	137
142	175	136
175	208	135
208	241	134
241	274	133
274	307	132
307	340	131
340	373	130
373	406	129
406	439	128
439	472	127
472	505	126
505	538	125
538	571	124
571	604	123
604	637	122
637	670	121
670	703	120
703	736	119
736	769	118
769	802	117
802	835	116
835	868	115
868	901	114
901	934	113
934	967	112
967	1000	111
1000		110

* Last 000000 omitted.