§ 4704. Conditions for issuance of certificate of authority. (a) The superintendent shall issue a certificate of authority to a municipal cooperative health benefit plan if all of the following conditions, after examination and investigation, have been met to the superintendent's satisfaction:

(1) a complete application has been filed with the superintendent in accordance with section four thousand seven hundred three of this article;

(2) except for any plan that provided medical, surgical and hospital services on or before January first, nineteen hundred ninety-three pursuant to a municipal cooperation agreement, the number of municipal corporations participating in the municipal cooperative health benefit plan shall be at least three;

(3) except for any plan that provided medical, surgical and hospital services to at least three hundred fifty covered employees (including retirees and not including dependents) on or before January first, nineteen hundred ninety-three pursuant to a municipal cooperation agreement, the number of covered employees (including retirees and not including dependents) of municipal corporations participating in the municipal cooperative health benefit plan shall be at least two thousand;

(4) the municipal cooperative health benefit plan is or shall be operated pursuant to a municipal cooperation agreement satisfying the requirements set forth in section four thousand seven hundred five of this article;

(5) the municipal cooperative health benefit plan has within its own organization adequate facilities and competent personnel to service the plan or, in order to provide such services, in whole or part, has contracted with a contract administrator or other service provider, determined by the governing board to be qualified based upon written documentation furnished to the governing board, provided that such documentation shall be made available to the superintendent upon request;

(6) the municipal cooperative health benefit plan possesses a written commitment, binder or policy for stop-loss insurance issued by an insurance company authorized to do business in this state, to the extent required by section four thousand seven hundred seven of this article;

(7) the municipal cooperative health benefit plan establishes premium equivalent rates sufficient to meet its contractual obligations and to satisfy the reserve and surplus requirements set forth in section four thousand seven hundred six of this article;

(8) the municipal cooperative health benefit plan has established a fair and equitable process for claims review, dispute resolution and appeal procedures including arbitration of rejected claims, and procedures for handling claims for benefits in the event of plan dissolution, which are satisfactory to the superintendent;

(9) the municipal cooperative health benefit plan has delivered to the superintendent such bond, deposit or security for protection of the employees and retirees and their dependents covered by the plan as the superintendent shall require in the event that the plan's chief fiscal officer is not otherwise adequately bonded under the provisions of the education law, general municipal law or public officers law;

(10) the municipal cooperative health benefit plan provides to covered employees and retirees of participating municipal corporations written notice disclosing the information required by section four thousand seven hundred nine of this article; and

(11) all plan documents, including the summary plan description, and amendments thereto, have been filed with and approved by the superintendent in accordance with section four thousand seven hundred nine of this article.

(b) The superintendent shall refuse to grant a certificate of authority to an applicant that fails to meet the requirements of this section. Notice of refusal shall be in writing and shall set forth the basis for the refusal. If the applicant submits a written request within thirty days after receipt of the notice of refusal, the superintendent shall promptly conduct a hearing to give the applicant the opportunity to show cause why the refusal should not be made final.

(c) After any municipal cooperative health benefit plan receives a certificate of authority, it may be joined by additional municipal corporations that execute a municipal cooperation agreement identical with the instruments in effect at that time and which the other participating municipal corporations have executed.