§ 4707. Stop-loss requirements. (a) The governing board of a municipal cooperative health benefit plan shall obtain and maintain on behalf of the plan a stop-loss insurance policy or policies delivered in this state and issued by a licensed insurer, providing:

(1) aggregate stop-loss coverage with an annual aggregate retention amount or attachment point not greater than one hundred twenty-five percent of the amount certified by a qualified actuary to represent the expected claims of the plan for the current fiscal year; and

(2) specific stop-loss coverage with a specific retention amount or attachment point not greater than four percent of the amount certified by a qualified actuary to represent the plan's expected claims for the current fiscal year.

(b) Upon application of the governing board, the superintendent may waive the requirement for the stop-loss insurance, in whole or part, or modify the maximum retention amounts or attachment points for stop-loss insurance, provided that:

(1) the plan maintains reserves and surplus equal to or greater than one hundred fifty percent of the amounts specified in paragraphs one and five of subsection (a) of section four thousand seven hundred six of this article; or

(2) the superintendent is satisfied that such waiver or modification of retention amounts or attachment points would not be detrimental to the plan's solvency and stability, after considering such factors as availability and affordability of stop-loss insurance, the plan's past and expected experience, plan size, reserves, surplus, and premium equivalent rates, and the contingent liability of participating municipal corporations.

(c) As an alternative to suspension or revocation pursuant to section four thousand seven hundred twelve of this article, the superintendent may reduce the aggregate or specific stop-loss retention amounts or attachment points specified in subsection (a) of this section for any municipal cooperative health benefit plan that fails to maintain required reserves and surplus.