§ 8021. Limitations on accumulation of surplus of mutual holding companies. (a) A mutual holding company may maintain (1) a non-insurance surplus not exceeding the aggregate capital and surplus of its insurance subsidiaries and (2) aggregate capital and surplus of its insurance subsidiaries not exceeding the surplus limit of its insurance subsidiaries, unless otherwise approved by the superintendent.

(b) As used in this section, the following terms shall have the following meanings:

(1) "Non-insurance surplus" means the mutual holding company's net worth, determined in accordance with generally accepted accounting principles on a consolidated basis, excluding the portion thereof derived from its interest in its insurance subsidiaries.

(2) "Insurance subsidiary" means a subsidiary of the mutual holding company that is a domestic insurer, a foreign insurer, an alien insurer or (notwithstanding its exemption from this chapter) a health maintenance organization.

(3) "Aggregate capital and surplus" of a mutual holding company's insurance subsidiaries means the sum of:

(A) for each subsidiary that is a life insurance company and is not a subsidiary of another life insurance company, its statutory capital and surplus;

(B) for each subsidiary that is an insurance company other than a life insurance company, a health maintenance organization or a subsidiary of another insurance subsidiary, its statutory capital and surplus; and

(C) for each subsidiary that is a health maintenance organization and is not a subsidiary of an insurance subsidiary, thirty-five percent of its net premium written in the preceding calendar year.

(4) "Surplus limit" of a mutual holding company's insurance subsidiaries means the aggregate of:

(A) for each subsidiary that is a life insurance company and is not a subsidiary of another life insurance company, the greater of (i) eight hundred fifty thousand dollars, or (ii) ten percent of its policy reserves and policy liabilities, or (iii) ten percent of the policy reserves and policy liabilities of such life insurance company and of all subsidiaries of such company that are insurance companies, plus (x) the product of three and the authorized control level RBC of such life insurance company as determined in accordance with section one thousand

three hundred twenty-two of this chapter or corresponding provisions of the law of its state of domicile, plus (y) for each subsidiary of such domestic life insurance company that is a health maintenance organization, thirty-five percent of its net premium written in the preceding calendar year, minus (z) the asset valuation reserves of such life insurance company and of all subsidiaries of such company that are life insurance companies, or (iv) the minimum amount of capital and surplus required by the law of another state in which such life insurance company is authorized to do business, all as determined in accordance with accounting practices prescribed or permitted by the superintendent, in the case of domestic insurers, or the principal regulator of any insurance subsidiary that is not a domestic insurer;

(B) for each subsidiary that is an insurance company other than a life insurance company, a health maintenance organization or a subsidiary of another insurance subsidiary, its statutory capital and surplus; and

(C) for each subsidiary that is a health maintenance organization and is not a subsidiary of an insurance subsidiary, thirty-five percent of its net premium written in the preceding calendar year;

(D) The superintendent may, for good cause shown, by order, permit such mutual holding company to maintain a surplus in excess of the maximum prescribed by subsection (a) of this section, for a specified period, not exceeding one year under any one order. The superintendent shall state in such order the reasons therefor and shall cause a statement of such order and such reasons to be published in the next annual report of the superintendent to the legislature.