

Sec. 38a-193-5. Authorized control level event

(a) As used in Sections 38a-193-1 to 38a-193-13, inclusive, of the Regulations of Connecticut State Agencies, “Authorized Control Level Event” means any of the following events:

(1) The filing of a RBC report by the health care center that indicates that the health care center’s total adjusted capital is greater than or equal to its Mandatory Control Level RBC but less than its Authorized Control Level RBC;

(2) the notification by the commissioner to the health care center of an adjusted RBC report that indicates the event in subdivision (1) of this subsection, provided the health care center does not challenge the adjusted RBC report under section 38a-193-7 of the Regulations of Connecticut State Agencies;

(3) if, pursuant to section 38a-193-7 of the Regulations of Connecticut State Agencies, the health care center challenges an adjusted RBC report that indicates the event in subdivision (1) of this subsection, notification by the commissioner to the health care center that the commissioner has, after a hearing, rejected the health care center’s challenge;

(4) the failure of the health care center to respond, in a manner satisfactory to the commissioner, to a corrective order (provided the health care center has not challenged the corrective order under section 38a-193-7 of the Regulations of Connecticut State Agencies); or

(5) if the health care center has challenged a corrective order under section 38a-193-7 of the Regulations of Connecticut State Agencies and the commissioner has, after a hearing, rejected the challenge or modified the corrective order, the failure of the health care center to respond, in a manner satisfactory to the commissioner, to the corrective order subsequent to rejection or modification by the commissioner.

(b) In the event of an Authorized Control Level Event with respect to a health care center, the commissioner shall:

(1) Take such actions as are required under section 38a-193-4 of the Regulations of Connecticut State Agencies regarding a health care center with respect to which a Regulatory Action Level Event has occurred; or

(2) if the commissioner deems it to be in the best interests of the policyholders and creditors of the health care center and of the public, take such actions as are necessary to cause the health care center to be placed under regulatory control under Chapter 704c of the Connecticut General Statutes. In the event the commissioner takes such actions, the Authorized Control Level Event shall be deemed sufficient grounds for the commissioner to take action under Chapter 704c of the Connecticut General Statutes, and the commissioner shall have the rights, powers and duties with respect to the health care center as are set forth in Chapter 704c of the Connecticut General Statutes. In the event the commissioner takes actions under this paragraph pursuant to an adjusted RBC report, the health care center shall be entitled to such protections as are afforded to health care centers under the provisions Chapter 704c of the Connecticut General Statutes pertaining to summary proceedings.

(Adopted effective January 31, 2000)