

**FSSB/STAKEHOLDER DISCUSSION  
SB 260 RBO PUBLIC DISCLOSURE ALTERNATIVES**

<b>I. Met/Not Met</b>	<b>II. 3 to 5 Point Scale</b>	<b>III. Financial Ratio Disclosure</b>	<b>IV. "Full" Disclosure</b>
<p>Disclosure under this option would be consistent with the information the Department released for the first 2 quarters of 2001, specifically:</p> <p>a) whether or not each RBO "substantially complied" with their SB 260 filing requirements</p> <p>b) for each RBO, "met"/ "not met" for each of the four criteria specified under SB 260.</p>	<p>Disclosure under this option would be expanded to include aggregate RBO financial information, specific claims paid percentages, and a 3 to 5 point scale on compliance with the working capital and TNE requirements. Specifically:</p> <p>a) whether or not each RBO "substantially complied" with their SB 260 filing requirements</p> <p>b) "met"/ "not met" for the IBNR criteria</p> <p>c) the actual claims paid percentage that a RBO reports for the period</p> <p>d) a 3 to 5 point compliance scale for the RBO on the working capital and TNE criteria; i.e, if the RBO has a current ratio of 1.1 or above it is reported as a "1", a current ratio of .9 to 1.1 it receives a "2", and if it has a current ratio of less than .9 it receives a 3.</p> <p>e) disclosure of any aggregate information collected by the Department, so long as the identity of any specific underlying filing cannot be discerned.</p>	<p>Disclosure under this option would include presentation of several actual underlying financial ratios for a given RBO versus less comprehensive ratios pursuant to 3 to 5 point scale. Specifically:</p> <p>a) whether or not each RBO "substantially complied" with their SB 260 filing requirements</p> <p>b) "met"/ "not met" for the IBNR criteria</p> <p>c) the actual claims paid percentage that a RBO reports for the period</p> <p>d) disclosure of certain financial ratios for each RBO, including the following:</p> <ol style="list-style-type: none"> <li>1) Current ratio</li> <li>2) TNE ratio</li> <li>3) Cash ratio</li> <li>4) Days cash on hand</li> <li>5) Cash to IBNR/claims</li> <li>6) Net income margin</li> <li>7) Pool receivables as a % of current assets</li> </ol> <p>e) disclosure of any aggregate information collected by the Department, so long as the identity of any specific underlying filing cannot be discerned.</p>	<p>Disclosure under this option would be roughly consistent the Department's previous regulations.</p> <p>a) whether or not each RBO "substantially complied" with their SB 260 filing requirements</p> <p>b) "met"/ "not met" for the IBNR criteria</p> <p>c) the actual claims paid percentage that a RBO reports for the period</p> <p>d) disclosure of certain financial ratios for each RBO, including the following:</p> <ol style="list-style-type: none"> <li>1) Current ratio</li> <li>2) TNE ratio</li> <li>3) Cash ratio</li> <li>4) Days cash on hand</li> <li>5) Cash to IBNR/claims</li> <li>6) Net income margin</li> <li>7) Pool receivables as a % of current assets</li> </ol> <p>e) disclosure of any aggregate information collected by the Department, so long as the identity of any specific underlying filing cannot be discerned.</p> <p>f) consistent with the prior regulation, RBO information submitted pursuant to the SB 260</p>

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			<p>regulations would generally be a public record except for information regarding unilateral remedial actions implemented by a RBO, footnote submissions from an organization's annual audited filing, or any other information the Director determines would "adversely affect the integrity of the contract negotiation process."</p> <p>NOTE: one variation of this disclosure requirement regarding the detailed filing information would be to retain the detailed filing information as confidential for some period after filing before public release (i.e., one year) thus minimizing the possibility that release of this information could "adversely affect the integrity of the contract negotiation process."</p> <p>g) Provide that a RBO could petition the Director for confidential treatment of a particular filing or portion of a filing pursuant to a process consistent with that specified in the Department's recently noticed administrative regulations (Title 28, Section 1007).</p>