**Section 945.50 Definition of Admitted Assets for Health Maintenance Organization**

Admitted Assets includes the investments authorized or permitted by Section 3-1 of the Act [215 ILCS 125/3-1], exclusive of Section 2-7 of the Act [215 ILCS 125/2-7], and the following:

a) Petty cash and other cash funds in the organization's principal or any official branch office and under the control of the organization.

b) Immediately withdrawable funds on deposit in demand accounts, in a bank or trust company as defined in Section 3-1(g)(3) of the Act [215 ILCS 125/3-1(g)(3)] or like funds actually in the principal or any official branch office at statement date, and in transit to such bank or trust company with authentic deposit credit given prior to the close of business on the fifth bank working day following the statement date.

c) The amount fairly estimated as recoverable on cash deposited in a closed bank or trust company, if qualifying under the provisions of this Section prior to the suspension of such bank or trust company.

d) Bills and accounts receivable collateralized by securities of the kind in which the organization is authorized to invest.

e) Premiums receivable from groups or individuals which are not more than 60 days past due. Premiums receivable from the United States, any state thereof or any political subdivision of either which is not more than 90 days past due.

f) Amounts due under insurance policies or reinsurance arrangements from insurance companies authorized to do business in this State.

g) Tax refunds due from the United States, any state or any political subdivision thereof.

h) The interest accrued on mortgage loans conforming to Section 3-1 of the Act, not exceeding in aggregate amount on an individual loan of one year's total due and accrued interest.

i) The rents accrued and owing to the organization on real and personal property, directly or beneficially owned, not exceeding on each individual property the amount of one year's total due and accrued rent.

j) Interest or rents accrued on conditional sales agreements, security interests, chattel mortgages and real or personal property under lease to other corporations, all conforming to Section 3-1 of the Act, and not exceeding on any individual investment, the amount of one year's total due and accrued interest or rent.

k) The fixed and required interest due and accrued on bonds and other like evidences of indebtedness, conforming to Section 3-1 of the Act, and not in default.

l) Dividends receivable on shares of stock conforming to Section 3-1 of the Act; provided that the market price taken for valuation purposes does not include the value of the dividend.

m) The interest or dividends due and payable, but not credited, on deposits in banks and trust companies or on accounts with savings and loan associations.

n) Interest accrued on secured loans conforming to the Act, not exceeding the amount of one year's interest on any loan.

o) Interest accrued on tax anticipation warrants.

p) The amortized value of electronic computer or data processing machines or systems purchased for use in connection with the business of the organization, including software purchased and developed specifically for the organization's use and purposes.

q) The cost of furniture, equipment and medical equipment, less accumulated depreciation thereon, and medical and pharmaceutical supplies that are used in the delivery of health care and under the control of the organization, provided such assets do not exceed 30% of admitted assets.

r) Amounts due from affiliates pursuant to management contracts or service agreements which meet the requirements of Section 141.1 of the Code [215 ILCS 5/141.1] to the extent that the affiliate has liquid assets with which to pay the balance and maintain its accounts on a current basis; provided that the aggregate amount due from affiliates may not exceed the lesser of 10% of the organization's admitted assets or 25% of the organization's net worth as defined in Section 3-1 of the Act. Any amount outstanding more than 3 months shall be deemed not current. For purpose of this subsection (r), "affiliates" are as defined in Section 131.1 of the Code [215 ILCS 5/131.1].

s) Intangible assets, including, but not limited to, organization goodwill and purchased goodwill, to the extent reported in the most recent annual or quarterly financial statement filed with the Director preceding July 20, 1987. However, such assets shall be amortized, by the straight-line method, to a value of zero no later than December 31, 1990; provided, however, that no organization shall be required pursuant to the foregoing provision to amortize such assets in an amount greater than $300,000 in any one year, and in cases where amortization of such assets by December 31, 1990 would otherwise require amortization of an annual amount in excess of $300,000, the organization shall be required only to amortize such assets at a rate of $300,000 per year until all such assets have been amortized to a value of zero, unless the continuation of the current amortization schedule would result in an earlier zero value, in which case the current amortization schedule shall be applied.

t) Amounts due from patients or enrollees for health care services rendered which are not more than 60 days past due.

u) Amounts advanced to providers under contract to the organization for services to be rendered to enrollees pursuant to the contract. Amounts advanced must be for a period of not more than 3 months and must be based on historical or estimated utilization patterns with the provider and must be reconciled against actual incurred claims at least semi-annually. Amounts due in the aggregate may not exceed 50% of the organization's net worth as defined in Section 3-1 of the Act. Amounts due from a single provider may not exceed the lesser of 5% of the organization's admitted assets or 10% of the organization's net worth.

v) Cost reimbursement due from the Health Care Financing Administration for furnishing covered medicare services to medicare enrollees which are not more than twelve months past due.

w) Prepaid rent or lease payments no greater than 3 months in advance, on real property used for the administration of the organization's business or for the delivery of medical care.