

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1943



ENROLLED

Committee Substitute

for HOUSE BILL No. 120

(originating in the committee on Insurance)

(By ~~Mr.~~.....)



PASSED March 9, 1943

In Effect from Passage

ENROLLED
COMMITTEE SUBTITUTE FOR
House Bill No. 120

(Originating in the Committee on Insurance)

[Passed March 9, 1943; in effect from passage.]

AN ACT to amend chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article designated article thirteen, providing for the organization, incorporation, and operation of non-profit hospital service corporations, and the exemption of such corporations from the provisions of the insurance laws of this state.

Be it enacted by the Legislature of West Virginia:

That chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding article thirteen thereto, to read as follows:

Article 13. Non-profit Hospital Service Corporations.

Section 1. *Organization of Corporations; Purposes.—A*

2 non-profit, non-stock hospital service corporation may be
3 organized in accordance with the provisions for the in-
4 corporation and organization of such corporations con-
5 tained in chapter thirty-one, for the purpose of furnish-
6 ing medical service and hospital service to persons who
7 become subscribers with such corporation. Medical serv-
8 ice shall consist of medical and surgical care as specified
9 in a subscriber contract issued by the corporation to a
10 subscriber and to be provided by physicians duly licensed
11 under the laws of West Virginia. Hospital service shall
12 consist of hospital care as specified in a subscriber con-
13 tract issued by the corporation to a subscriber and to be
14 provided by a hospital which is maintained by a corpora-
15 tion organized for hospital services under the law of this
16 state, or other approved hospitals.

17 The term "hospital service corporation", as used in this
18 article, includes any such corporation or any non-profit
19 service corporation heretofore organized and operating
20 within this state.

Sec. 2. *Corporation Not to be Converted into Profit*
2 *Corporation.*—No hospital service corporation shall be

3 converted into a corporation organized for pecuniary pro-
4 fit. Every such corporation shall be maintained and op-
5 erated for the benefit of its members and subscribers as
6 a non-profit corporation.

Sec. 3. *Bond of Officers and Employees.*—Every such
2 corporation organized and operating under the provisions
3 of this article shall provide in its by-laws that each of-
4 ficer agent and employee of the corporation who is en-
5 trusted with the handling of funds shall furnish a cor-
6 porate surety bond in a licensed corporate surety company
7 in amount specified by the board of directors of such cor-
8 poration and conditioned upon the faithful accounting for
9 all funds coming into his hands.

Sec. 4. *Insurance Laws Not Applicable to Such Cor-*
2 *poration.*—Except where such corporations are expressly
3 designated in other provisions of this chapter, such cor-
4 porations shall be exempt from all provisions of the in-
5 surance laws of this state, not only in governmental re-
6 lations with the state, but for every other purpose.

Sec. 5. *Tax Exemption.*—Every such corporation shall
2 be declared to be a scientific non-profit institution, and

3 its funds and property shall be exempt from all taxes.

Sec. 6. *Contractual Obligations With Approved Hos-*
2 *pitals.*—Each hospital service corporation incorporated
3 under the provisions of this article shall enter into con-
4 tractual obligation with one or more approved hospitals
5 in the area within which such subscriber contracts are
6 sold for the rendering to such subscribers the services
7 provided in such subscriber contracts.

Sec. 7. *Expiration of Article.*—This article shall expire
2 February twenty-eighth, one thousand nine hundred
3 forty-five, unless sooner repealed.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Ray Z. Jernigan
Chairman Senate Committee

Leed M. Patey
Chairman House Committee

Originated in the House of Delegates

Takes effect from passage.

Estelle Watkins
Clerk of the Senate

Asheiff
Clerk of the House of Delegates

James Paull
President of the Senate

John C. Amos
Speaker House of Delegates

The within _____ this the _____

day of _____, 1943.

Governor.



Filed in the office of the Secretary
of West Virginia MAR 19 1943

Wm. S. O'BRIEN,
Secretary of State