

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1945

ENROLLED

SENATE BILL No. 107

(By Mr. Hall, of Raleigh)

PASSED February 22 1945

In Effect February 28, 1945 Passage



107 Rec'd
2-27

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Senate Bill No. 107

(BY MR. HALL, OF RALEIGH)

[Passed February 22, 1945; in effect February 28, 1945]

AN ACT to amend and reenact article thirteen, chapter eight, acts of the Legislature of West Virginia, regular session, one thousand nine hundred forty-three, being article thirteen, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, 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 article thirteen, chapter thirty-one of the code of West

Virginia, one thousand nine hundred thirty-one, as last amended by chapter eight, acts of the Legislature, regular session, one thousand nine hundred forty-three, be amended and reenacted 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 furnishing
6 medical service and hospital service to persons who be-
7 come subscribers with such corporation. Medical service
8 shall consist of medical and surgical care as specified in a
9 subscriber contract issued by the corporation to a sub-
10 scriber 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 contract
13 issued by the corporation to a subscriber and to be pro-
14 vided by a hospital which is maintained by a corporation
15 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
4 profit. Every such corporation shall be maintained and
5 operated for the benefit of its members and subscribers
6 as 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 com-
7 pany in amount specified by the board of directors of
8 such corporation and conditioned upon the faithful ac-
9 counting for 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 its
3 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 obligations 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-seven, unless sooner repealed.

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

Charles C. Morris
Chairman Senate Committee

J. Ade Smith Jr.
Chairman House Committee

Originated in the Senate

Takes effect February 28, 1945 passage

Thomas H. Hays
Clerk of the Senate

J. R. Clipp
Clerk of the House of Delegates

Donald M. Dickes
President of the Senate

John C. Anner
Speaker House of Delegates

The within Approved this the 27th
day of February, 1945.

W. A. Brien
Governor.

Filed in the office of the Secretary of State
of West Virginia
FEB 27 1945
Wm. S. O'Brien,
Secretary of State