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
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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 non-profit, non-stock hospital service corporation may be organized in accordance with the provisions for the incorporation and organization of such corporations contained in chapter thirty-one, for the purpose of furnishing medical service and hospital service to persons who become subscribers with such corporation. Medical service shall consist of medical and surgical care as specified in a subscriber contract issued by the corporation to a subscriber and to be provided by physicians duly licensed under the laws of West Virginia. Hospital service shall consist of hospital care as specified in a subscriber contract issued by the corporation to a subscriber and to be provided by a hospital which is maintained by a corporation organized for hospital services under the law of this state, or other approved hospitals.
The term "hospital service corporation", as used in this article, includes any such corporation or any non-profit service corporation heretofore organized and operating within this state.

Sec. 2. Corporation Not to be Converted into Profit Corporation.—No hospital service corporation shall be converted into a corporation organized for pecuniary profit. Every such corporation shall be maintained and operated for the benefit of its members and subscribers as a non-profit corporation.

Sec. 3. Bond of Officers and Employees.—Every such corporation organized and operating under the provisions of this article shall provide in its by-laws that each officer agent and employee of the corporation who is entrusted with the handling of funds shall furnish a corporate surety bond in a licensed corporate surety company in amount specified by the board of directors of such corporation and conditioned upon the faithful accounting for all funds coming into his hands.

Sec. 4. Insurance Laws Not Applicable to Such Corporation.—Except where such corporations are expressly
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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. Morri
Chairman Senate Committee

Chairman House Committee

Originated in the Senate

Takes effect February 28, 1945

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

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

Governor.

Filed in the office of the Secretary of State
of West Virginia

FEB 27 1945

Wm. S. O'Brien, Secretary of State