

CHAPTER 222

NONPROFIT HOSPITAL SERVICE PLAN

H. F. 307

AN ACT to authorize nonprofit corporations to contract to furnish hospital service to subscribers and to contract with hospitals to furnish hospital service; to provide for the regulation and supervision thereof; to fix and declare their rights, powers and duties; to declare such corporation to be a charitable and benevolent institution; to prescribe the powers and duties of the commissioner of insurance with reference thereto.

Be It Enacted by the General Assembly of the State of Iowa:

1 SECTION 1. Any corporation hereafter organized under the pro-
2 visions of chapter three hundred ninety-four (394), Code, 1935, for the
3 purpose of establishing, maintaining, and operating a nonprofit hospital
4 service plan, whereby hospital service may be provided by the said
5 corporation or by a hospital with which it has a contract for such serv-
6 ice, to such of the public who become subscribers to said plan under a
7 contract which entitles each subscriber to hospital service, shall be
8 governed by the provisions of this chapter and shall be exempt from all
9 other provisions of the insurance laws of this state, unless specifically
10 designated herein, not only in governmental relations with the state
11 but for every other purpose, and no additions hereafter enacted shall
12 apply to such corporations unless they be expressly designated therein.

1 SEC. 2. Persons desiring to form a nonprofit hospital service cor-
2 poration shall incorporate under the provisions of chapter three hun-
3 dred ninety-four (394) of the Code, 1935, as supplemented and amended
4 herein and any acts amendatory thereof.

1 SEC. 3. The articles of incorporation, and any subsequent amend-
2 ments, of such corporation shall have endorsed thereon or annexed
3 thereto the approval of the commissioner of insurance before the same
4 shall be filed for record.

1 SEC. 4. At least a majority of the directors of such corporation
2 must be at all times administrators, or directors, or trustees, or mem-
3 bers of the clinical staff of hospitals which have contracted or may con-
4 tract with such corporation to render to its subscribers hospital serv-
5 ice. The board of directors of such corporation shall consist of at least
6 nine members and not more than one shall be from any one hospital.

1 SEC. 5. Any corporation organized under the provisions of said
2 chapter may enter into contracts for the rendering of hospital service
3 to any of its subscribers with hospitals maintained and operated by the
4 state or any of its political subdivisions, or by any corporation, associa-
5 tion, or individual. Hospital service is meant to include bed and board,
6 general nursing care, use of the operating room, use of the delivery
7 room, ordinary medications and dressings and other customary routine
8 care.

1 SEC. 6. The rates charged by such corporation to the subscribers
2 for hospital service shall at all times be subject to the approval of the
3 commissioner of insurance.

1 SEC. 7. The contracts by such corporation with the subscribers for
2 hospital service shall at all times be subject to the approval of the com-
3 missioner of insurance.

1 SEC. 8. The contracts by such corporation with participating hos-
2 pitals for hospital service shall at all times be subject to the approval of
3 the commissioner of insurance.

1 SEC. 9. Every such corporation shall annually, on or before the
2 first day of March, file in the office of the commissioner of insurance
3 a statement verified by at least two of the principal officers of said
4 corporation showing its condition on the thirty-first day of December
5 then next preceding, which shall be in such form and shall contain such
6 matters as the commissioner of insurance shall prescribe.

1 SEC. 10. Every such corporation shall be subject to examination
2 under the provisions of chapter three hundred ninety-seven (397) of
3 the Code, 1935, and any acts amendatory thereto, so far as the chapter
4 may be applicable.

1 SEC. 11. All acquisition costs in connection with the solicitation
2 of subscribers to such hospital service plan and administration costs
3 including salaries paid its officers, if any, shall at all times be subject
4 to the approval of the commissioner of insurance.

1 SEC. 12. The funds of any corporation subject to the provisions of
2 this act shall be invested only in securities permitted by the laws of
3 this state for the investment of funds of life insurance companies.

1 SEC. 13. Any dispute arising between a corporation organized un-
2 der said chapter and any hospital with which such corporation has a
3 contract for hospital service, as provided for herein, may be submitted
4 to the commissioner of insurance for his decision. All decisions and
5 findings of the commissioner of insurance may be reviewed by proper
6 proceedings in a court of competent jurisdiction.

1 SEC. 14. Any dissolution, merger, or liquidation of a corporation
2 organized under the provisions of said chapter shall be under the super-
3 vision of the commissioner of insurance who shall have all powers with
4 respect thereto granted to him under the insurance laws of this state.

1 SEC. 15. Every corporation organized under the provisions of this
2 act is hereby declared to be a charitable and benevolent institution but
3 its property and funds, including subscribers' contracts, shall not be
4 exempt from taxation.

Approved April 12, 1939.