

## CHAPTER 53—H. F. No. 83

*An act to provide for the incorporation and regulation of non-profit hospital service plan corporations heretofore or hereafter organized.*

Be it enacted by the Legislature of the State of Minnesota:

**Section 1. Who are subject to act.**—Any corporation organized under the laws of this state, on a strictly non-profit basis, for the purpose of establishing and operating a non-profit hospital service plan whereby hospital service is provided by hospitals with which such corporation has a contract, to persons who become subscribers to said plan under a contract with such corporation for such hospital service shall be subject to, and, governed by the provisions of this act and shall not be subject to the laws of this state relating to insurance, and insurance companies, except as hereinafter specifically provided.

**Sec. 2. May provide service in non-member hospitals.**—The hospital service plan operated by such corporation, may also provide for hospital service to such subscribers in other than contracting hospitals, in case of emergency or expediency, and subject to the approval of the governing body of such hospital service plan corporation.

**Sec. 3. Certificate of incorporation to be filed with Commissioner of Insurance.**—A copy of the certificate of incorporation of all such non-profit hospital service plan corporations, and all amendments, shall be filed with the commissioner of insurance of the state of Minnesota, at the time the originals are filed with the secretary of state, provided, however, that any hospital service plan corporation that has heretofore incorporated under the social and charitable laws of the State of Minnesota, and is now operating such a non-profit hospital service plan in this state, shall forthwith file a copy of the certificate of incorporation, and all amendments thereto, with the commissioner of insurance, and thereupon be subject to the provisions of this act.

**Sec. 4. Membership of governing body.**—A majority of the governing body of every such non-profit hospital service plan corporation shall, at all times, be administrators or members of the governing body of hospitals which have agreed with such non-profit hospital service plan corporation to furnish hospital service to the subscribers to such non-profit hospital service plan.

Every such contracting hospital shall be represented in every such non-profit hospital service plan corporation with

which it has entered into an agreement to furnish such hospital service to subscribers thereto, provided, however, that any two or more such contracting hospitals may have the same representative therein.

**Sec. 5. Shall file annual report.**—Every such corporation shall annually, on or before the last day of March, file with the commissioner of insurance, a statement verified by not less than two or its principal officers, showing the financial condition of such corporation as of the 31st day of December next preceding.

**Sec. 6. Commissioner of Insurance to have access to books.**—The commissioner of insurance, or any deputy or examiner designated by him, shall have the right, at all reasonable times, to free access to all books and records of such corporation, and may summon and examine, under oath, the officers and employees of such corporation in all matters pertaining to its financial condition. The expense of any such examination of its books and financial condition shall be borne by such corporation.

**Sec. 7. Investment of funds.**—The funds of any corporation subject to the provisions of this act shall be invested only in those securities and property designated by the laws of this state for the investment of the capital, surplus and other funds of domestic life insurance companies.

**Sec. 8. Not to engage in medical practice.**—Nothing herein shall authorize any person, association, or corporation to engage, in any manner, in the practice of healing, or the practice of medicine, as defined by law.

Approved March 10, 1941.

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#### CHAPTER 54—S. F. No. 154

*An act relating to county drainage ditches heretofore established by the county board of any county of this state containing not less than 12 or more than 13 full and fractional congressional townships with a taxable valuation for the year 1935 of not less than \$7,000,000 or more than \$8,000,000, exclusive of moneys and credits, and having a population according to the federal census for 1930 of not less than 14,000 or more than 15,000 inhabitants, and providing that in cases where portions of such county ditch are situated*