

## Part 1 General Provisions

### **31A-7-101 Definition.**

As used in this chapter, unless stated otherwise:

"Subscriber" means the person entitled by contract to health care benefits from a corporation licensed under this chapter. "Subscriber" is used interchangeably with "policyholder" in individual contracts or "certificate holder" in group contracts.

Amended by Chapter 91, 1987 General Session

Amended by Chapter 95, 1987 General Session

### **31A-7-102 Scope.**

- (1) Domestic insurers authorized under former Title 31, Chapter 37, are, on July 1, 1986, automatically converted to domestic insurers authorized under this chapter. The commissioner may adopt any rules necessary to efficiently and safely effect the conversion.
- (2) Any nonprofit corporation incorporated under this chapter, or subject to this chapter under Subsection (1), and organized for the purpose of establishing, maintaining, and operating a nonprofit plan, whereby hospital care, medical-surgical care, dental care, and other health services are made available to persons who become subscribers to such a plan or plans under a contract with the nonprofit corporation, are subject to the provisions of this chapter.
- (3) This chapter does not apply to persons licensed under:
  - (a) Chapter 5, Domestic Stock and Mutual Insurance Corporations;
  - (b) Chapter 8, Health Maintenance Organizations and Limited Health Plans;
  - (c) Chapter 9, Insurance Fraternal;
  - (d) Chapter 10, Annuities;
  - (e) Chapter 11, Motor Clubs;
  - (f) Chapter 13, Employee Welfare Funds and Plans; or
  - (g) Chapter 14, Foreign Insurers.

Amended by Chapter 20, 1995 General Session

### **31A-7-103 Applicability of other provisions.**

- (1) Except for exemptions specifically granted under this title, nonprofit health service insurance corporations organized or operating under this chapter are subject to all of the provisions of this title.
- (2) Nonprofit health service corporations are exempt from the provisions of Chapter 5, Domestic Stock and Mutual Insurance Corporations, except where sections or parts are specifically referenced and made applicable in this chapter, in which case the referenced provisions under Chapter 5, Domestic Stock and Mutual Insurance Corporations, that apply to mutual corporations apply to nonprofit health service insurance corporations.
- (3) Title 16, Chapter 6a, Utah Revised Nonprofit Corporation Act, and Title 16, Chapter 10a, Utah Revised Business Corporation Act, do not apply to nonprofit health service insurance corporations except as specifically made applicable by:
  - (a) this chapter;
  - (b) a provision adopted by reference under this chapter; or

- (c) a rule adopted by the commissioner to deal with corporate law issues of nonprofit health service insurance corporations which are not settled under this chapter.
- (4) Any insurer authorized under this chapter that is not in compliance with the applicable capital and surplus requirements, yet has assets in excess of its liabilities, has until July 1, 1988, to comply with the applicable capital and surplus requirements. One-half of any shortage in capital and surplus on July 1, 1986, shall be remedied by July 1, 1987.

Amended by Chapter 300, 2000 General Session

**31A-7-104 General corporate powers and procedures.**

- (1) Corporations organized or operating under this chapter have the powers specified under Section 31A-5-104.
- (2) Subject to the limitations upon subsidiary investment valuation otherwise stated under this title, corporations organized or operating under this chapter may invest in corporations organized for profit.
- (3) Corporations subject to the provisions of this chapter may enter into contracts for the rendering of hospital services, medical-surgical services, and other health services on behalf of any of their subscribers with hospitals maintained by the state, or by any of its political subdivisions, or maintained by a nonprofit corporation organized for hospital purposes, or with other corporations, associations, partnerships, or individuals furnishing hospital services, medical-surgical services, or other health services. This chapter does not require any corporation to contract or remain under contract with any individual, hospital, physician, or other provider of health services.

Amended by Chapter 91, 1987 General Session

**31A-7-105 Documents as evidence.**

Section 31A-5-105 applies to documents as evidence in corporations organized and operating under this chapter.

Enacted by Chapter 242, 1985 General Session

**31A-7-106 Unauthorized assumption of corporate power.**

Section 31A-5-106 applies to the unauthorized assumption of corporate power in corporations organized and operating under this chapter.

Enacted by Chapter 242, 1985 General Session