

40-19c03. Organization; purposes; board of directors. Nonprofit corporations may be organized under the nonprofit medical and hospital service corporation act for the purpose of entering into contracts with participating health care providers and participating hospitals to provide professional and hospital services for subscribers as may be designated in subscription agreements. Such corporations shall also indemnify subscribers as designated in subscription agreements for services which may be received from nonparticipating health care providers or nonparticipating hospitals. Such corporations may also provide service or indemnity for other health services or facilities but not to exceed reasonable and customary charges that a subscriber may incur for these services. The affairs of any such corporation shall be managed by a board of directors of not less than 15 members as specified by the articles of incorporation composed of: Persons licensed under the Kansas healing arts act and trustees or administrators of hospitals who participate in providing professional and institutional service to subscribers and members of the public exclusive of persons licensed under the Kansas healing arts act and hospital trustees or administrators who, at the time of their election, are subscribers. Beginning with the election of directors immediately following the effective date of this act, the board of directors at all times shall include at least one person licensed under the Kansas healing arts act to practice allopathic medicine and surgery, osteopathic medicine and surgery and chiropractic. Two members of the public who are subscribers shall be appointed to the board of directors by the governor of the state of Kansas. The members of the public, exclusive of physicians and hospital trustees or administrators, shall at all times comprise a majority of the membership of the board of directors. The directors shall take the oath of office as in other corporations and duplicates of such subscribed oaths shall be forwarded at the time of election to the commissioner of insurance for filing. The bylaws shall specify the number of directors necessary to constitute a quorum which shall not be less than 10 members.

History: L. 1980, ch. 137, § 21; L. 1990, ch. 168, § 1; July 1.