

40-19c12. Corporations mandated to convert to mutual status; procedure; effective date; existing rights and obligations not impaired. Any nonprofit medical and hospital service corporation organized pursuant to the provisions of article 19c of chapter 40 of the Kansas Statutes Annotated shall, without reincorporation, adopt and (at its option) shall either become subject to the provisions of article 5 of chapter 40 of the Kansas Statutes Annotated, governing mutual life insurance companies, or of article 12 of chapter 40 of the Kansas Statutes Annotated, governing mutual companies other than life, by the adoption of a resolution of its board of directors declaring the election of the nonprofit medical and hospital service corporation to become subject to the provisions of article 5 or 12 of chapter 40 of the Kansas Statutes Annotated. After the adoption of such resolution, the board of directors shall adopt such amendments to the articles of incorporation and bylaws of the corporation as shall be necessary and shall file the same with the commissioner of insurance, together with a plan for mutualization setting forth provisions for fulfilling the conditions necessary to effect the mutualization and a designated date upon which such mutualization shall become effective if such conditions are fulfilled. Upon the designated date set forth in the plan, but not later than July 1, 1992, the nonprofit medical and hospital service corporation shall become subject to the provisions of law so elected, and shall not be governed by article 19c of chapter 40 of the Kansas Statutes Annotated thereafter. The existing contract rights and obligations of such corporation, of subscribers and of health care providers shall not be impaired by such conversion to mutual status.

History: L. 1991, ch. 134, § 8; July 1.