

§ 58-65-135. Cost plus plans.

(a) Any corporation organized under the provisions of this Article and Article 66 of this Chapter shall be authorized as agent of any other corporation, firm, group, partnership, or association, or any subsidiary or subsidiaries thereof, municipal corporation, State, federal government, or any agency thereof, to administer on behalf of such corporation, firm, group, partnership, or association, or any subsidiary or subsidiaries thereof, municipal corporation, State, federal government, or any agency thereof, any group dental, health care, medical, or vision service plan, promulgated by the corporation, firm, group, partnership, or association, or any subsidiary or subsidiaries thereof, municipal corporation, State, federal government, or any agency thereof, on a cost plus administrative expense basis, only if all of the following apply:

- (1) The other corporation, firm, group, partnership, or association, or any subsidiary or subsidiaries thereof, municipal corporation, State, federal government, or any agency thereof shall have had an active existence for at least one year preceding the establishment of the plan, and was formed for purposes other than procuring the group dental, health care, medical, or vision service coverage in a cost plus administrative expense basis.
- (2) Administrative costs of the cost plus plan administered by a corporation organized under the provisions of this Article and Article 66 of this Chapter, acting as an agent as provided by this section, shall not exceed the remuneration received.
- (3) The corporation organized under this Article and Article 66 of this Chapter administering the cost plus plan shall have no liability to the subscribers or to the hospitals or health care providers for the success or failure, liquidation or dissolution of the group dental, health care, medical, or vision service plan.

(b) Nothing in this section shall be construed to require that a corporation, firm, group, partnership, or association, or any subsidiary or subsidiaries thereof, municipal corporation, State, federal government, or any agency thereof, conform to the provisions of this Article and Article 66 of this Chapter if a group hospitalization service plan is administered by a corporation organized under this Article and Article 66 of this Chapter, on a cost plus expense basis.

(c) The administration of any cost plus plans as provided for by this section shall not be subject to regulation or supervision by the Commissioner of Insurance. (1941, c. 338, s. 16; 1943, c. 537, s. 9; 1947, c. 820, s. 7; 1961, c. 1149; 2021-169, s. 1.)