

March 28, 2007

H 1236. LIMIT EXCESSIVE NPO CORP. COMPENSATION. Filed 3/28/07. *TO LIMIT EXCESSIVE COMPENSATION OF EXECUTIVES OF CERTAIN NONPROFIT CORPORATIONS PROVIDING HOSPITAL AND MEDICAL SERVICE PLANS.*

Enacts new GS 58-65-52 prohibiting officers or executives of a corporation operating a nonprofit hospital, medical, or dental service plan, from receiving excessive compensation as determined by the Commissioner of Insurance (commissioner). Allows members of and subscribers to the health benefits provided by the corporation to petition the commissioner to review compensation and allows the commission to initiate proceedings to determine whether compensation is too high on the commissioner's own motion. The commissioner is also authorized to impose a penalty. Amends GS 58-65-55 to require the commissioner to determine that compensation is not excessive before issuing a license to render services. Applies only to hospital or medical corporations with 2 million or more members or subscribers.

Intro. by Allred.

GS 58