

## Chapter 750

### 1977 REPLACEMENT PART

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## HEALTH CARE SERVICE CONTRACTORS

**750.005 "Doctor," "health care service contractor" and "health care services" defined.** (1) "Doctor" means any person lawfully licensed or authorized by statute to render any health care services.

(2) "Health care service contractor" means:

(a) Any corporation organized not for profit that is sponsored by or otherwise intimately connected with a group of doctors licensed by this state, or by a group of hospitals licensed by this state, or both, which accepts prepayment for health care services; or

(b) Any person referred to in ORS 750.035.

(3) "Health care services" means the furnishing of medicine, medical or surgical treatment, nursing, hospital service, ambulance service, dental service, optometrical service or any or all of the enumerated services or any other necessary services of like character, whether or not contingent upon sickness or personal injury.

[Formerly 742.010; 1973 c.515 §5]

**750.010** [Amended by 1957 c.301 §1; 1961 c.116 §1; 1967 c.359 §548; renumbered 744.305]

**750.015 Management to include representatives of public.** Not less than one-third of the group of persons vested with the management of the affairs of a health care service contractor, as defined in paragraph (a) of subsection (2) of ORS 750.005, shall be representatives of the public who are not practicing doctors or employes or trustees of a participant hospital.

[Formerly 742.015]

**750.020** [Amended by 1961 c.116 §2; 1967 c.359 §549; renumbered 744.315]

**750.025 Restricting distribution of income.** No health care service contractor, as defined in paragraph (a) of subsection (2) of ORS 750.005, shall distribute, upon liquidation or otherwise, any part of its income to its members, directors, trustees or officers except for the reasonable value of services rendered such contractor.

[Formerly 742.025]

**750.030** [Repealed by 1967 c.359 §704]

**750.035 Regulation of hospital care associations under prior law; exceptions.**

(1) Notwithstanding any other provision of law, except as provided in subsection (2) of

this section, any persons doing a hospital association business, as defined in ORS 742.010 (1959 Replacement Part) in compliance with ORS chapter 742 (1959 Replacement Part) on August 12, 1965, may continue such business in compliance with ORS chapter 742 (1959 Replacement Part).

(2) Every person doing a hospital association business, as defined in ORS 742.010 (1959 Replacement Part), on August 12, 1965, shall comply with the provisions of ORS 750.045 and the provisions of ORS 750.055.

[Formerly 742.035]

**750.040** [Amended by 1967 c.359 §552; renumbered 744.345]

**750.045 Required capitalization; deposit of security.** (1) A health care service contractor shall possess and thereafter maintain capital or surplus, or any combination thereof, of not less than \$25,000 or an amount equal to 50 percent of the average claims incurred monthly during the preceding 12-month period, whichever is greater, but in no case shall the required amount be more than \$500,000.

(2) The health care service contractor shall file a surety bond or such other bond or securities in the sum of \$50,000 as are authorized by the Insurance Code as a guarantee of the due execution of the policies to be entered into by such contractor in accordance with ORS 750.005 to 750.065. This subsection does not apply to a health care service contractor that has at least 75 percent of its assets invested in health care service facilities pursuant to ORS 733.700.

[Formerly 742.050, 1975 c.273 §1; 1977 c.402 §1]

**750.050** [Amended by 1961 c.116 §3; 1967 c.359 §553; renumbered 744.355]

**750.055 Other provisions applicable to health care service contractors.** (1) The following provisions of the Insurance Code shall apply to health care service contractors to the extent so applicable and not inconsistent with the express provisions of this chapter:

(a) ORS 731.004 to 731.026, 731.032 to 731.150, 731.162, 731.204 to 731.362, 731.382, 731.386, 731.390, 731.398 to 731.430, 731.450, 731.454, 731.504, 731.508, 731.512, 731.574 to 731.620, 731.640 to 731.652, 731.804 and 731.844 to 731.992.

(b) ORS 732.230, 732.245, 732.250, 732.315 to 732.325 and 732.505 to 732.570.

(c) ORS 733.010 to 733.050, 733.080, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.700 to 733.780.

(d) ORS chapter 734.

(e) ORS 743.003 to 743.012, 743.018 to 743.030, 743.037 to 743.108, 743.114, 743.116, 743.123, 743.828 and 743.833.

(f) ORS 743.492, 743.495 and 743.498, except that such sections do not apply to group health insurance.

(g) ORS 743.522, except that individual policies may be issued to the persons or families insured in lieu of issuance of a single group policy as referred to in such section.

(h) ORS 743.549 to 743.558 and 743.800 to 743.833.

(i) ORS 744.005 to 744.265.

(j) ORS 746.005 to 746.140, 746.160, 746.180 and 746.220 to 746.370.

(k) ORS 743.120.

(L) ORS 743.529.

(2) For the purposes of this section only, health care service contractors shall be deemed insurers.

[1967 c.359 §659; 1969 c.336 §18; 1971 c.231 §41; 1973 c.143 §5; 1973 c.515 §6; 1973 c.613 §4a; 1975 c.135 §3; 1975 c.338 §4a; 1975 c.689 §4; 1975 c.784 §13c; 1977 c.402 §6]

Note: Sections 5 and 6, chapter 338, Oregon Laws 1975, provide that the amendments to 750.055 made by section 4a, chapter 338, Oregon Laws 1975, only apply to all policies or contracts after January 1, 1976, and that those amendments are repealed June 30, 1981.

**750.060** [Amended by 1967 c.359 §555; renumbered 744.375]

**750.065 Reimbursement for services performed by optometrists.** (1) Notwithstanding any provision of contract or agreement entered into by a corporation, association, society, firm, partnership or individual doing business as a hospital association or as a health care service contractor, whenever such contract or agreement provides for reimbursement for any service which is within the lawful scope of practice of a duly licensed optometrist, the insured under such contract or agreement shall be entitled to reimbursement for such service, whether the said service is performed by a physician or duly licensed optometrist. Unless such contract or agreement shall otherwise provide, there shall be no reimbursement for ophthalmic materials, lenses, spectacles, eyeglasses or appurtenances thereto.

(2) Nothing in subsection (1) of this section shall apply to any contract or agreement

limited to the furnishing of services to be performed exclusively by members of the association, society, group or partnership issuing such contract or agreement.

[1971 c.97 §2]

**750.070** [Repealed by 1967 c.359 §704]

**750.080** [Amended by 1967 c.359 §557; renumbered 744.396]

**750.090** [Amended by 1967 c.359 §558; renumbered 744.405]

**750.100** [Amended by 1967 c.359 §556; renumbered 744.385]

**750.110** [Repealed by 1967 c.359 §704]

**750.210** [Repealed by 1967 c.359 §704]

**750.220** [Repealed by 1967 c.359 §704]

**750.230** [Repealed by 1967 c.359 §704]

**750.240** [Repealed by 1967 c.359 §704]

**750.250** [Repealed by 1967 c.359 §704]

**750.260** [Repealed by 1967 c.359 §704]

**750.270** [Repealed by 1967 c.359 §704]

## LEGAL SERVICE CONTRACTORS

**750.300 "Attorney", "legal service contractor" and "legal service" defined.**

As used in ORS 750.300 to 750.340:

(1) "Attorney" means any person authorized to practice law in this state.

(2) "Legal service contractor" means any corporation organized not for profit that is sponsored by or otherwise intimately connected with a group of attorneys and which accepts prepayment for legal service.

(3) "Legal service" means any service furnished by an attorney that is within the scope of the practice of law.

[1973 c.97 §3]

**750.310 Restriction on distribution of income.** No legal service contractor shall distribute, upon liquidation or otherwise, any part of its income to its members, directors, trustees or officers except for the reasonable value of services rendered such contractor.

[1973 c.97 §4]

**750.320 Required capitalization; security deposit.** (1) A legal service contractor shall possess and thereafter maintain capital or surplus, or any combination thereof, of not less than \$25,000.

(2) In addition to its required capitalization the legal service contractor shall file a surety bond or such other bond or securities in

the sum of \$50,000 as are authorized by the Insurance Code as a guarantee of the due execution of the policies to be entered into by such contractor in accordance with ORS 750.300 to 750.340.

[1973 c.97 §5]

**750.330 Legal service contractor required to file schedules of legal service rates with commissioner.** A legal service contractor shall file with the commissioner all schedules and tables of premium rates for legal service to be used on risks in this state, and shall file any amendments to or corrections of such schedules and tables.

[1973 c.97 §7]

**750.340 Applicability of other Insurance Code provisions.** (1) The following provisions of the Insurance Code shall apply to legal service contractors to the extent so applicable and not inconsistent with the express provisions of ORS 750.300 to 750.340:

(a) ORS 731.004 to 731.026, 731.032 to 731.150, 731.158, 731.204 to 731.362, 731.382,

731.386, 731.398 to 731.430, 731.450, 731.454, 731.504, 731.508, 731.512, 731.574 to 731.620, 731.640 to 731.652, 731.804 and 731.844 to 731.992.

(b) ORS 732.230, 732.245, 732.250, 732.315 to 732.325 and 732.505 to 732.570.

(c) ORS 733.010 to 733.060, 733.140 to 733.170, 733.210, 733.510 to 733.680 and 733.710 to 733.780.

(d) ORS 734.010 to 734.440.

(e) ORS 743.003 to 743.012, 743.021, 743.036, 743.042 to 743.051, 743.054 to 743.096 and 743.114.

(f) ORS 744.005 to 744.265.

(g) ORS 746.005 to 746.045, 746.065, 746.075, 746.100 to 746.130, 746.160 and 746.230 to 746.370.

(2) For the purposes of this section only, legal service contractors shall be considered insurers.

[1973 c.97 §6; 1975 c.769 §9]

#### CERTIFICATE OF LEGISLATIVE COUNSEL

Pursuant to ORS 173.170, I, Thomas G. Clifford, Legislative Counsel, do hereby certify that I have compared each section printed in this chapter with the original section in the enrolled bill, and that the sections in this chapter are correct copies of the enrolled sections, with the exception of the changes in form permitted by ORS 173.160 and other changes specifically authorized by law.

Done at Salem, Oregon,  
October 1, 1977.

Thomas G. Clifford  
Legislative Counsel

