

1950

c 285 Prepaid Hospital and Medical Services Act

Ontario

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CHAPTER 285

The Prepaid Hospital and Medical Services Act

1. In this Act,

- (a) "association" means any company or corporation incorporated for the purpose of establishing, maintaining and operating a hospital or medical service on a non-profit prepayment basis, whereby any one or more of hospital, medical, surgical, nursing or dental services or payment therefor may be provided to persons who become subscribers with, or members of, such company or corporation, or for these and similar purposes, but does not include an insurer licensed under *The Insurance Act* or a pension fund or employees' mutual benefit society incorporated under Part XVI of *The Companies Act*;
- (b) "Superintendent" means Superintendent of Insurance under *The Insurance Act*. 1950, c. 56, s. 1.

Interpre-
tation.

Rev. Stat.,
c. 183.
Rev. Stat.,
c. 59.

2. Every association registered under this Act shall be exempt from the provisions of *The Insurance Act*. 1950, c. 56, s. 2.

Registered
associations
exempt from
Rev. Stat.,
c. 183.

3. No letters patent granting a charter to an association shall be issued under *The Companies Act* without the written approval of the Superintendent. 1950, c. 56, s. 3.

Incorpora-
tion.

4. No association shall, within Ontario, contract to furnish hospital, medical, surgical, nursing or dental service, or any combination of them, on a prepayment basis or make payment therefor unless registered under this Act. 1950, c. 56, s. 4.

No associa-
tion to
carry on
business
unless
registered.

5.—(1) Every application for registration shall be made in writing to the Superintendent and shall be accompanied,

Application
for regis-
tration.

- (a) by the prescribed fee;
- (b) by a certified copy of the Act or other instrument of incorporation of the association and of its constitution, by-laws and regulations;
- (c) by a copy of every contract or proposed contract with a hospital, physician and other person for the rendering of services to subscribers or members;

- (d) by a copy of every form of contract or proposed contract with subscribers or members;
- (e) by a certified list of rates charged or to be charged to subscribers or members together with details of the benefits which the association contracts to furnish to subscribers or members;
- (f) by a copy of the balance sheet of the association and a statement of income and expenditures as of the close of its last fiscal year, certified by the president, or vice-president, and the managing director or some other principal officer of the association and reported on by its auditor;
- (g) by such other information or material as the Superintendent may require.

Registration to be granted by Superintendent.

(2) The Superintendent shall grant registration to an association if he is satisfied,

- (a) that the applicant is established as a *bona fide* association;
- (b) that the contracts and proposed contracts with hospitals, physicians or other persons for the rendering of service to subscribers or members and the contracts or proposed contracts with subscribers or members are fair and reasonable;
- (c) that the applicant has established and has such working capital and reserves as the Superintendent deems adequate; and
- (d) that the applicant has complied with the provisions of subsection 1. 1950, c. 56, s. 5.

Application for renewal of registration.

6.—(1) Every application for renewal of registration shall be made in writing to the Superintendent on or before the 21st day of March in each year and shall be accompanied by the prescribed fee and such information and material as the Superintendent may require.

Renewal of registration.

(2) The Superintendent shall grant renewal of registration to an association if he is satisfied,

- (a) that the contracts and proposed contracts with hospitals; physicians or other persons for the rendering of service to subscribers or members and the contracts or proposed contracts with subscribers and members are fair and reasonable;
- (b) that the applicant has such working capital and reserves as the Superintendent deems adequate; and

(c) that the applicant has complied with the provisions of subsection 1. 1950, c. 56, s. 6.

7. Every registration and renewal of registration shall lapse on the 31st day of March in each year. 1950, c. 56, s. 7. Termination and renewal of registration.

8. The Superintendent may suspend or cancel any registration upon any grounds which would justify refusal to grant registration or renewal of registration or where the association fails to comply with any provision of this Act. 1950, c. 56, s. 8. Suspension and cancellation.

9. The Superintendent may at the request of any association, evidenced as he may direct, cancel its registration. 1950, c. 56, s. 9. Cancellation by request of association.

10. Notwithstanding any decision of the Superintendent, a further application for registration or renewal of registration may be made upon new or other material or where it is clear that any material circumstance has changed. 1950, c. 56, s. 10. Further application for registration.

11.—(1) Any association that deems itself aggrieved by any decision of the Superintendent may appeal therefrom to the Court of Appeal. Appeal.

(2) The appeal shall be set down for argument at the first sitting of the Court of Appeal that commences after the expiration of 30 days from the decision complained of. When to be set down.

(3) The practice and procedure upon and in relation to the appeal shall be the same as upon an appeal from a judgment of a judge of the Supreme Court in an action. Procedure

(4) The Superintendent shall certify to the Registrar of the Supreme Court, the decision appealed from, his reasons therefor, and the documents, information and material he had before him in making such decision. 1950, c. 56, s. 11. Record.

12.—(1) Every registered association shall deliver to the Superintendent within one month of the passing thereof a certified copy of any by-law passed by the board of directors. Filing of by-laws.

(2) Not later than four months after the expiration of its fiscal year, every registered association shall file with the Superintendent a balance sheet and a statement of income and expenditures for such fiscal year, certified by the president, or vice-president, and the managing director or some other principal officer of the association and reported on by its auditor, and such other financial statements as the Superintendent may require. Filing of balance sheet, etc.

Time for filing may be extended. (3) On sufficient cause shown, the Superintendent may by writing extend the time for filing the statements required under subsection 2. 1950, c. 56, s. 12.

General statement of affairs. **13.**—(1) Not later than four months after the expiration of its last fiscal year every registered association shall prepare a general statement of its affairs in a form approved by the Superintendent.

Time may be extended for preparation. (2) On sufficient cause shown, the Superintendent may by writing extend the time for the preparation of a general statement of affairs under subsection 1.

Statement to be attested. (3) Every such statement shall be attested by the signature of the president, or vice-president, and the managing director or some other principal officer of the association and shall be accompanied by the auditor's report.

Copies to subscribers on request. (4) A copy of such statement shall be mailed or delivered without charge to any subscriber or member who requests a copy. 1950, c. 56, s. 13.

Inspection of books, etc. **14.**—(1) The Superintendent or his duly authorized representative may at any time make or cause to be made an inspection of the books, documents and records of any registered association.

Access to books, etc. (2) Upon any such inspection, the Superintendent or his duly authorized representative shall be entitled to free access to all books of account, cash, securities, documents, bank accounts, vouchers, correspondence and records of every description of the association, and no person shall withhold, destroy, conceal or refuse to furnish any information or thing reasonably required by the Superintendent or his representative under this section. 1950, c. 56, s. 14.

Investments allowed. **15.** A registered association may invest its funds in any securities in which a joint stock insurance company may invest its funds under *The Companies Act*. 1950, c. 56, s. 15.

Rev. Stat., c. 59.

Power to hold real property. **16.**—(1) A registered association may hold real property which, having been mortgaged or hypothecated to it, has been acquired by it for the protection of its investment, and real property conveyed to it in satisfaction of debts previously contracted in the course of its business, and may from time to time sell, mortgage, lease, exchange or otherwise dispose of such real property, but the association shall sell any such real property within seven years after it has been so acquired.

Idem. (2) A registered association may hold to its own use and benefit such real property as is necessary for the transaction

of its business, or is acquired or held *bona fide* for building upon or improving for that purpose, and may sell, mortgage or dispose of such real property.

(3) A registered association, when authorized by its letters patent or by the Lieutenant-Governor in Council, may construct on any lands held pursuant to subsection 2, or may acquire, a building larger than is required for the transaction of its business and may lease any part of the building not so required. 1950, c. 56, s. 16. Power to acquire and construct building.

17. The fee for registration or renewal of registration for an association shall be, where the income from subscribers or members in the previous fiscal year, Fees for registration and renewal.

did not exceed \$15,000.....	\$ 10
exceeded \$15,000 but did not exceed \$50,000.....	15
exceeded \$50,000 but did not exceed \$100,000.....	25
exceeded \$100,000 but did not exceed \$250,000.....	50
exceeded \$250,000 but did not exceed \$1,000,000...	100
exceeded \$1,000,000.....	200

1950, c. 56, s. 17.

18. Every association not registered under this Act that contracts to furnish hospital or medical service on a prepayment basis or makes payment therefor shall be guilty of an offence and on summary conviction shall be liable to a penalty of \$20 for each day during which the association carries on such business. 1950, c. 56, s. 18. Offence to carry on business unless registered.



