

§ 58-67-30. Management and exclusive agreements; custodial agreements.

(a) No health maintenance organization shall enter into an exclusive agency, management, or custodial agreement unless the agreement is first filed with the Commissioner and approved under this section within 45 days after filing or such reasonable extended period as the Commissioner shall specify by notice that is given within the 45 day period.

(b) The Commissioner shall disapprove an agreement submitted under subsection (a) of this section if the Commissioner determines that the agreement:

- (1) Subjects the health maintenance organization to excessive charges;
- (2) Extends for an unreasonable period of time;
- (3) Does not contain fair and adequate standards of performance;
- (4) Enables persons under the contract to manage the health maintenance organization who are not sufficiently trustworthy, competent, experienced, and free from conflict of interest to manage the health maintenance organization with due regard for the interests of its enrollees, creditors, or the public; or
- (5) Contains provisions that impair the interests of the organization's enrollees, creditors, or the public. (1987, c. 631, s. 10; 2001-223, s. 20.5.)