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INSURANCE CODE - INS

DIVISION 2. CLASSES OF INSURANCE [1880 - 12880.8] (*Division 2 enacted by Stats. 1935, Ch. 145.*)

PART 2. LIFE AND DISABILITY INSURANCE [10110 - 11549] (*Part 2 enacted by Stats. 1935, Ch. 145.*)

CHAPTER 9. The Private Health Care Voluntary Purchasing Alliance Act [10800 - 10887] (*Chapter 9 added by Stats. 1996, Ch. 916, Sec. 1.*)

ARTICLE 4. Conflicts of Interest [10830- 10830.] (*Article 4 added by Stats. 1996, Ch. 916, Sec. 1.*)

10830. No owner, officer, partner, or board members or members of their household nor any management personnel of the alliance may be employed by, be a consultant for, be a member of the board of directors of, be affiliated with an agent of, or otherwise be a representative of any carrier or other insurer, agent or broker, or a health care provider. This provision shall not preclude any of the above from purchasing coverage through an alliance.

Any employee of a purchasing alliance and any person or organization having any ownership interest in a purchasing alliance or any organization the alliance contracts with for marketing purposes shall be prohibited from receiving compensation based upon the health status, claims experience, industry, occupation, or geographic location of participating employers or small employers or the participating employer's or small employer's employees exclusive of a compensation arraignment that provides compensation on the basis of a percentage of premium, provided that the percentage shall not vary because of health status, industry, occupation, medical utilization, claims experience, or geographic location within a service region. Those employees, persons, and organizations are expressly prohibited from receiving compensation based upon a participating carrier's loss ratio resulting from the carrier's participation in the purchasing alliance.

Additionally, any employee of a purchasing alliance and those persons or organizations having an ownership interest in the purchasing alliance shall be prohibited from encouraging or directing employers or small employers to seek coverage from a source other than the alliance because of the health status, claims experience, industry, occupation, or geographic location of the employer or small employer or the employer's or small employer's employees.

(*Added by Stats. 1996, Ch. 916, Sec. 1. Effective January 1, 1997.*)