

(4) "SUBSIDIARY" OF A PERSON MEANS AN AFFILIATE CONTROLLED BY THAT PERSON:

(I) DIRECTLY; OR

(II) INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES.

(B) A NONPROFIT HEALTH SERVICE PLAN MAY NOT INVEST IN OR OTHERWISE ACQUIRE ANY AFFILIATE OR SUBSIDIARY UNLESS:

(1) THE AFFILIATE OR SUBSIDIARY IS LICENSED BY THE COMMISSIONER; OR

(2) (I) THE AFFILIATE OR SUBSIDIARY IS ~~WHOLLY~~ MAJORITY OWNED BY THE NONPROFIT HEALTH SERVICE PLAN; AND

(II) THE BUSINESS OF THE AFFILIATE OR SUBSIDIARY IS DIRECTLY RELATED TO THE OPERATION OF THE NONPROFIT HEALTH SERVICE PLAN OR THE ADMINISTRATION OF A HEALTH BENEFITS PROGRAM.

(C) (1) A NONPROFIT HEALTH SERVICE PLAN SHALL SUBMIT A STATEMENT OF PROPOSED ACTION TO THE COMMISSIONER BEFORE THE PLAN MAY:

(I) ~~INVEST IN OR OTHERWISE ACQUIRE~~ CREATE, ACQUIRE, OR INVEST IN TO CONTROL ANY AFFILIATE OR SUBSIDIARY; ~~OR~~

(II) ALTER THE STRUCTURE, ORGANIZATION, PURPOSE, OR OWNERSHIP OF THE PLAN OR OF ANY AFFILIATE OR SUBSIDIARY OF THE CORPORATION;

(III) MAKE ANY INVESTMENT EXCEEDING \$500,000; OR

(IV) MAKE ANY INVESTMENT IN AN AFFILIATE OR SUBSIDIARY.

(2) THE STATEMENT OF PROPOSED ACTION REQUIRED UNDER THIS SUBSECTION SHALL BE FILED BY THE NONPROFIT HEALTH SERVICE PLAN NOT LESS THAN 60 DAYS PRIOR TO THE EFFECTIVE DATE OF THE PROPOSED ACTION.

(3) THE NONPROFIT HEALTH SERVICE PLAN MAY NOT ENGAGE IN THE PROPOSED ACTION LISTED UNDER PARAGRAPH (1)(I) THROUGH (III) OF THIS SUBSECTION UNLESS THE ACTION IS APPROVED IN WRITING BY THE COMMISSIONER.

(4) THE COMMISSIONER SHALL EITHER APPROVE OR DISAPPROVE THE PROPOSED ACTION WITHIN 60 DAYS FROM RECEIPT OF THE STATEMENT OF PROPOSED ACTION.

(D) ANY CORPORATION DOMICILED IN A JURISDICTION THAT HAS ADOPTED BY STATUTE OR REGULATION PROVISIONS THAT LIMIT THE OWNERSHIP AND OPERATION OF AN AFFILIATE OR SUBSIDIARY IN SUBSTANTIALLY THE SAME MANNER AS THE PROVISIONS OF THIS SECTION MAY BE AUTHORIZED BY THE COMMISSIONER TO COMPLY WITH THE LAW OF ITS DOMICILIARY JURISDICTION.