§ 58-65-183. Operation of hospital service corporation.
    (a)   A reorganization does not change (i) the legal form of the hospital service corporation or (ii) the hospital service corporation's license to do business in North Carolina. Any subscribers' contracts and certificates issued by the hospital service corporation shall remain in full force and effect.
    (b)   The hospital service corporation shall continue to be subject to this Article and Article 66 of this Chapter, except for the following:
        (1)   Neither a reorganization nor any other transaction permitted by this Part shall constitute or require a conversion of the hospital service corporation pursuant to G.S. 58-65-131, 58-65-132, 58-65-133, or any other law of this State.
        (2)   Neither a reorganization nor any other transaction permitted by this Part shall require the nonprofit holding corporation, hospital service corporation, or any affiliate of either to make any distribution or payment to any person or entity. This subdivision shall not apply to distributions or payments between a nonprofit holding corporation or hospital service corporation and any of its affiliates.
        (3)   The hospital service corporation may make and pay direct or indirect dividends or distributions to the nonprofit holding corporation, and G.S. 58-19-10(b), 58-65-131, 58-65-132, and 58-65-133 shall not apply to such dividends or distributions, provided that such dividends or distributions satisfy the applicable standards for payment of a dividend or distribution set forth in G.S. 55A-13-02, 58-7-130, 58-19-25(d), and 58-19-30.
        (4)   If the hospital service corporation undertakes a conversion pursuant to G.S. 58-65-131, 58-65-132, and 58-65-133 at any time following a reorganization, then, for the purposes of that conversion, the references in G.S. 58-65-131, 58-65-132, and 58-65-133 to "fair market value of the corporation" or "value of the corporation" shall mean the fair market value of the nonprofit holding corporation and its consolidated subsidiaries. (2023-33, s. 1.)