§ 4302. Permit and license to do business. (a) Corporations subject to this article shall not solicit the purchase of, or enter into, any contract with any individual or group until it has obtained from the superintendent a permit so to do. Such permit shall be issued by the superintendent upon receipt of an application in a form to be prescribed by the superintendent and upon payment of a fee of ten dollars. Such application shall include a statement of the territory in which the corporation will operate, which, in the case of hospital service corporations, shall not exceed eighteen counties of this state, the services to be rendered by the corporation and the rates to be charged therefor, and shall be accompanied by two copies of each type of contract for service which the corporation proposes to render and by a bond in the sum of one thousand dollars conditioned upon return to applicants for contracts of any advance payments made if within one year from the date of the issuance of such permit a license to do business as hereafter provided has not been issued.

(b) No such corporation shall furnish medical expense indemnity, dental expense indemnity, hospital service or health service as set forth in section four thousand three hundred one of this article until it has obtained from the superintendent a license to do business. Such license may be issued by the superintendent upon the filing of an application, subscribed by two officers of such corporation and affirmed by such officers as true under the penalties of perjury, and in a form prescribed by the superintendent and upon payment of a fee of ten dollars. Such application shall include (i) a statement of the number of individuals and groups from whom the corporation has received applications for medical expense indemnity, dental expense indemnity, hospital service or health service, as the case may be, to be rendered during one year, and from each of whom it has received payment of not less than one-sixth of the full payment required from such individuals and groups; and (ii) a statement of the total amount so collected, which shall be not less than eighteen hundred dollars. Before issuing any such license the superintendent may make such examination or investigation as he deems expedient, including an investigation of the sponsors of such proposed corporation and if after such examination or investigation he determines the issuance of such license is contrary to the interest of the people, he shall refuse to issue. Upon the issuance of such license,

the corporation may begin to furnish medical expense indemnity, dental expense indemnity, hospital service or health service, as the case may be.

(c) Notwithstanding the other provisions of this article, the superintendent may issue a permit to organize and a license to do business to a not-for-profit corporation organized and operated under the supervision of the New York State Public High School Athletic Association, unrestricted as to its territorial operations in this state, for the sole purpose, however, of furnishing medical, dental and hospital expense indemnity to bona fide students in elementary and high schools injured (i) in intramural and interscholastic athletic games and sports activities, (ii) while engaged in preparation for such games, sports or contests, (iii) in physical education classes, and (iv) in any other accidents which in the judgment of the superintendent should be included. The dental indemnity is to apply, however, only in case of dental expense caused by injury occurring as above set forth.