

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1967

ENROLLED

HOUSE BILL No. 588

(By Mr. Hill)

PASSED February 21, 1967

In Effect Thirty days from Passage



FILED IN THE OFFICE
ROBERT D. BAILEY
SECRETARY OF STATE
THIS DATE 3-8-67

588

ENROLLED
House Bill No. 588

(By MR. HILL)

[Passed February 21, 1967; in effect ninety days from passage.]

AN ACT to amend and reenact section twenty-two, article five, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the impairment of capital or assets of domestic insurers.

Be it enacted by the Legislature of West Virginia:

That section twenty-two, article five, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

**ARTICLE 5. ORGANIZATION AND PROCEDURES OF DOMESTIC
AND MUTUAL INSURERS.**

§33-5-22. Impairment of capital or assets.

1 (a) If the capital stock of a domestic stock insurer

2 becomes impaired, or the assets of a domestic mutual
3 insurer are less than its liabilities and the minimum
4 amount of surplus required of it by this chapter for au-
5 thority to transact the kinds of insurance being trans-
6 acted, the commissioner shall at once determine the
7 amount of the deficiency and serve notice upon the in-
8 surer to make good the deficiency within ninety days
9 after service of such notice.

10 (b) The deficiency may be made good in cash or in
11 assets eligible under this chapter for the investment of
12 the insurer's funds; or if a stock insurer by reduction of
13 the insurer's capital to an amount not below the mini-
14 mum required for the kinds of insurance thereafter to be
15 transacted; or if a mutual insurer, by amendment of its
16 license to cover only such kind or kinds of insurance for
17 which the insurer has on deposit sufficient surplus.

18 (c) If the deficiency is not made good and proof
19 thereof filed with the commissioner within such ninety-
20 day period, the insurer shall be deemed insolvent and the
21 commissioner shall institute delinquency proceedings
22 against it as authorized by this chapter. If such deficiency

23 exists because of increased loss reserves required by the
24 commissioner, or because of disallowance by the com-
25 missioner of certain assets or reduction of the value at
26 which carried in the insurer's accounts, the commis-
27 sioner may in his discretion and upon application and
28 good cause shown, extend for not more than an addi-
29 tional one hundred eighty days the period within which
30 such deficiency may be so made good and such proof
31 thereof so filed.

32 (d) The ninety-day notice required in subdivision (a)
33 of this section shall only affect the grounds for rehabili-
34 tation of domestic insurers and grounds for liquidation
35 as set forth in subdivision (c), section five, article ten
36 of this chapter, and shall not affect the rights and duties
37 of the commissioner to take action under any other
38 grounds for rehabilitation of domestic insurers or grounds
39 for liquidation as set forth in article ten of this chapter.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

William Tompos
Chairman Senate Committee

Clayton C. Davidten
Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

Thomas M. Moyer
Clerk of the Senate

C. J. Blankenship
Clerk of the House of Delegates

Howard E. Carson
President of the Senate

H. Lavan White
Speaker House of Delegates

The within *approved* this the *8*
day of *March*, 1967.

Stewart C. Smith
Governor



PRESENTED TO THE
GOVERNOR

Date 3-3-67

Time 1:20 P.M.