WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1973

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ENROLLED

HOUSE BILL No. _736_

Mr. _McManus_

(By Mr. _Cookman_)

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PASSED _March 1th_ 1973

In Effect _ninety days from_ Passage

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House Bill No. 736

(By Mr. Speaker, Mr. McManus, and Mr. Cookman)

[Passed March 19, 1973; in effect ninety days from passage.]

AN ACT to amend and reenact sections one and six, article fourteen, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended; and to further amend said article by adding thereto a new section, designated section five-a, relating to insurance; establishing requirements for and limitations upon group life insurance; relating to exceptions; relating to matters not governed by article; authorizing group life insurance for members of one or more credit unions; establishing requirements for and limitations upon group life insurance for members of one or more credit unions; and relating to limitations upon amount of group life insurance.

Be it enacted by the Legislature of West Virginia:

That sections one and six, article fourteen, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted; and that said article be further amended by adding thereto a new section, designated section five-a, all to read as follows:

ARTICLE 14. GROUP LIFE INSURANCE.

§33-14-1. Requirements.

1   (a) No life insurance policy or certificate shall be delivered
2 or issued for delivery in this state insuring the lives of more
3 than one individual unless to one of the groups as provided for
4 in sections two to five-a, inclusive, of this article, and unless

5 in compliance with the other applicable provisions of those
6 sections.
7   (b) Subsection (a) above, shall not apply to life insurance
8 policies:
9   (1) Insuring only individuals related by marriage, blood or
10 legal adoption;
11   (2) Insuring only individuals having a common interest
12 through ownership of a business enterprise, or a substantial
13 legal interest or equity therein, and who are actively engaged
14 in the management thereof; or
15   (3) Insuring only individuals otherwise having an insurable
16 interest in each other's lives.
17   (c) Nothing in this article validates any charge or practice
18 illegal under any rule of law or regulation governing usury,
19 small loans, retail installment sales, or the like, or extends the
20 application of any such rule of law or regulation to any trans-
21 action not otherwise subject thereto.

§33-14-5a. Credit union groups.

1   The lives of a group of individuals may be insured under a
2 policy issued to a credit union or to the trustees of a fund
3 established by one or more credit unions, which credit union
4 or trustees shall be deemed to be the policyholder for the pur-
5 pose of this section, for the benefit of some person or persons
6 other than the credit union or credit unions or trustees or any
7 of their officials, and subject to the following requirements:
8   (1) The members of a credit union eligible for insurance
9 shall be all of the members of the credit union or all of any
10 class or classes thereof determined by conditions pertaining to
11 their age or to their membership in the credit union or to both;
12   (2) The premium for the policy shall be paid by the policy-
13 holder wholly from the funds of the credit union or credit
14 unions or from any fund established by such credit union or
15 credit unions. No part of the premium may be paid from funds
16 contributed by or charged to the insured members specifically
17 for their insurance;
18   (3) The policy must insure at least twenty-five eligible mem-
19 bers at date of issue;
20   (4) The policy shall, at all times while it is in force, insure
21 all eligible members, excluding any as to whom evidence of

22   individual insurability is not satisfactory to the insurer; and
23   (5) The amounts of insurance under the policy must be
24   based upon some plan which precludes individual selection
25   either by the members or by the credit union, the credit unions
26   or the trustees.

§33-14-6. Limitation on amount.

1   No such policy of group life insurance may be issued to an
2   employer, or to a labor union, or to the trustees of a fund es-
3   tablished in whole or in part by an employer or a labor union,
4   which provides term insurance on any person which together
5   with any other term insurance under any group life insurance
6   policy or policies issued to the employer or employers of such
7   person or to a labor union or labor unions of which such per-
8   son is a member or to the trustees of a fund or funds establish-
9   ed in whole or in part by such employer or employers or such
10   labor union or labor unions, exceeds twenty thousand dollars,
11   unless two hundred percent of the annual compensation of such
12   person from his employer or employers exceeds twenty thou-
13   sand dollars, in which event all such term insurance shall not
14   exceed fifty thousand dollars or two hundred percent of such
15   annual compensation, whichever is the lesser.
16   No such policy of group life insurance may be issued pur-
17   suant to the provisions of section five-a of this article which
18   provides term insurance on any person which together with any
19   other term insurance under any group life insurance policy or
20   policies issued pursuant to the provisions of said section five-
21   a exceeds twenty thousand dollars.

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

_____
Chairman Senate Committee

_____
Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

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Clerk of the Senate

_____
Clerk of the House of Delegates

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President of the Senate

_____
Speaker House of Delegates

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The within _____Approved_____ this the __28th__

day of_____March_____, 1973.

_____
Governor

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PRESENTED TO THE
GOVERNOR

Date 3/26/73

Time 12:40 p.m.