

HB 2264

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SENATE OF WEST VIRGINIA

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1995



ENROLLED

HOUSE BILL No. 2264

(By Delegates Mallagher, Cannon, Green,
Hall, Hunt, McPherson + Thompson)



Passed March 2, 1995

In Effect July 1, 1995 ~~Passage~~



ENROLLED

H. B. 2264

(BY DELEGATES GALLAGHER, CANN, GREER, HALL, HUNT,
MCGRAW AND THOMPSON)

[Passed March 2, 1995; in effect July 1, 1995.]

AN ACT to amend and reenact section thirty-one-c, article six, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to substandard risk motor vehicle insurance policies; requiring contrasting color or reverse print notices on applications and policies; advising policyholders of future eligibility for standard or preferred policies; and requiring notice to such policyholders of potential eligibility for standard or preferred coverage for driving without additional traffic violations or accidents over a three-year period while being continuously insured.

Be it enacted by the Legislature of West Virginia:

That section thirty-one-c, article six, 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 6. THE INSURANCE POLICY.

§33-6-31c. Substandard risk motor vehicle insurance policies; definitions; required notices and provisions; promulgation of rules; effective date.

1 (a) For purposes of this section, the following
2 definitions shall apply:

3 (1) A "substandard risk" means an applicant for
4 insurance who presents a greater exposure to loss than that

5 contemplated by commonly used rate classifications, as
6 evidenced by one or more of the following conditions:

7 (A) Record of traffic accidents;

8 (B) Record of traffic law violations;

9 (C) Undesirable occupational circumstances;

10 (D) Any other valid underwriting consideration.

11 (2) "Substandard risk rate" means a rate or premium
12 charge that reflects the greater than normal exposure to
13 loss which is assumed by an insurer writing insurance for a
14 substandard risk.

15 (b) Every application for a motor vehicle insurance
16 policy to be issued in this state and written on the basis of
17 a substandard risk rate schedule shall have printed thereon,
18 in bold-faced type in a contrasting color or in reverse
19 print, a statement reading substantially as follows: **THE**
20 **POLICY FOR WHICH YOU ARE APPLYING HAS BEEN**
21 **RATED IN ACCORDANCE WITH A SPECIAL RATING**
22 **SCHEDULE FILED WITH THE COMMISSIONER OF**
23 **INSURANCE PROVIDING FOR HIGHER PREMIUM**
24 **CHARGES THAN THOSE GENERALLY APPLICABLE**
25 **FOR AVERAGE RISKS. IF THE COVERAGE OR**
26 **PREMIUM IS NOT SATISFACTORY, YOU MAY BE**
27 **ELIGIBLE FOR OTHER INSURANCE. IF THIS**
28 **COVERAGE OR PREMIUM IS SATISFACTORY, YOU**
29 **MAY BE ELIGIBLE FOR COVERAGE UNDER A**
30 **STANDARD OR PREFERRED POLICY IF DURING THE**
31 **NEXT THREE YEARS YOU HAVE NO TRAFFIC**
32 **VIOLATIONS OR ACCIDENTS AND YOU MAINTAIN**
33 **CONTINUOUS INSURANCE COVERAGE.**

34 (c) Every motor vehicle insurance policy issued in this
35 state and written on the basis of a substandard risk rate
36 schedule shall have printed thereon, in bold-faced type in
37 a contrasting color or in reverse print, a statement reading
38 substantially as follows: **THIS POLICY HAS BEEN**
39 **RATED IN ACCORDANCE WITH A SPECIAL RATING**
40 **SCHEDULE FILED WITH THE COMMISSIONER OF**
41 **INSURANCE PROVIDING FOR HIGHER PREMIUM**
42 **CHARGES THAN THOSE GENERALLY APPLICABLE**

43 FOR AVERAGE RISKS. IF THE COVERAGE OR
44 PREMIUM IS NOT SATISFACTORY, YOU MAY BE
45 ELIGIBLE FOR OTHER INSURANCE. IF THIS
46 COVERAGE OR PREMIUM IS SATISFACTORY, YOU
47 MAY BE ELIGIBLE FOR COVERAGE UNDER A
48 STANDARD OR PREFERRED POLICY IF DURING THE
49 NEXT THREE YEARS YOU HAVE NO TRAFFIC
50 VIOLATIONS OR ACCIDENTS AND YOU MAINTAIN
51 CONTINUOUS INSURANCE COVERAGE.

52 (d) On or before the first day of July, one thousand
53 nine hundred ninety-three, all insurers licensed or
54 registered in this state to market or sell substandard risk
55 motor vehicle insurance policies shall submit all
56 applications and policies for substandard risk insurance to
57 the commissioner of insurance for approval prior to being
58 used by the insurer.

59 (e) On or after the first day of July, one thousand nine
60 hundred ninety-five, all insurers selling or which have in
61 force substandard risk motor vehicle insurance policies
62 shall provide a one time notice in writing to such
63 policyholders who have maintained continuous insurance
64 coverage for three years, have not been convicted of any
65 moving traffic violations and had no at fault accidents, that
66 they may be eligible for coverage under a standard or
67 preferred policy.

68 (f) The commissioner shall promulgate rules in
69 accordance with the provisions of chapter twenty-nine-a of
70 this code regarding the format, style, design and approval
71 of substandard risk insurance applications, notices and
72 policies and such other procedures as may be required by
73 this section.

74 (g) The effective date of this section shall be the first
75 day of July, one thousand nine hundred ninety-five.

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

Randy Schoonover
Chairman Senate Committee

Ernest C. Moore
Chairman House Committee

Originating in the House.

Takes effect July 1, 1995

Paul E. Brown
Clerk of the Senate

Donald E. Koff
Clerk of the House of Delegates

Carl Ray Tomblin
President of the Senate

Carl E. Casper
Speaker of the House of Delegates

The within is approved this the 14th
day of March, 1995.

Gaston Caperton
Governor



PRESENTED TO THE

GOVERNOR

Date 3/8/95

Time 2:10 pm