

HB 4359

FILED

2014 MAR -7 P 6:05

OFFICE WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE
SECOND REGULAR SESSION, 2014



ENROLLED

House Bill No. 4359

(By Delegate Guthrie)
[By Request of the Insurance Commission]



Passed February 24, 2014

In effect ninety days from passage.

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H. B. 4359

(BY DELEGATE GUTHRIE)

[BY REQUEST OF THE INSURANCE COMMISSION]

[Passed February 24, 2014; in effect ninety days from passage.]

AN ACT to amend and reenact §33-37-2 of the Code of West Virginia, 1931, as amended, relating to licensure of managing general agents of insurers; removing unnecessary language; providing for retroactive renewal of lapsed licenses; establishing license application and renewal fees; extending period of some initial licenses; and clarifying that the appointment of the Secretary of State to receive process applies to administrative actions and actions involving license applications.

Be it enacted by the Legislature of West Virginia:

That §33-37-2 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 37. MANAGING GENERAL AGENTS.

§33-37-2. Licensure.

1 (a) No domestic, foreign or alien insurer may permit a
 2 person to act, and no person may act, in the capacity of a
 3 managing general agent for an insurer in this state unless the
 4 person is licensed in this state to act as a managing general
 5 agent.

6 (b) No person may act in the capacity of a managing general
 7 agent with respect to risks located in this state for an insurer
 8 licensed in this state unless the person is a licensed insurance
 9 producer in this state.

10 (c) The commissioner may license as a managing general
 11 agent any individual or business entity that has complied with
 12 the requirements of this article and any related rules. The
 13 commissioner may refuse to issue a license if he or she believes
 14 the applicant, any person named on the application, or any
 15 member, principal, officer or director of the applicant is not
 16 trustworthy or competent to act as a managing general agent, or
 17 that any of the foregoing persons has given cause for revocation
 18 or suspension of the license or has failed to comply with any
 19 prerequisite for issuance of the license.

20 (d) Any person seeking a license pursuant to this section
 21 shall apply for the license in a form prescribed by the
 22 commissioner and pay a nonrefundable application fee of \$500.
 23 Each license issued pursuant to this section expires on June 30
 24 following issuance, except that a license initially issued in May
 25 or June expires on June 30 of the following year. In order to
 26 renew a license, a licensed managing general agent shall submit
 27 to the commissioner at least one month prior to expiration a
 28 renewal application in a form prescribed by the commissioner
 29 and a renewal fee of \$200: *Provided*, That a managing general
 30 agent that fails to timely renew a license may reinstate the
 31 license, retroactive to its expiration date, upon submission of the

32 renewal application form prior to June 1 following the expiration
33 date and payment of a renewal fee of \$400. All fees shall be paid
34 into the State Treasury to the credit of the special revenue
35 account created in subsection (b), section thirteen, article three
36 of this chapter.

37 (e) The commissioner may require a bond in an amount
38 acceptable to him or her for the protection of the insurer.

39 (f) The commissioner may require a managing general agent
40 to maintain an errors and omissions policy that is acceptable to
41 the commissioner.

42 (g) The submission of an application for license pursuant to
43 this section constitutes an appointment by the applicant of the
44 Secretary of State as the agent for service of process on the
45 applicant in any action or proceeding, including administrative
46 actions instituted by the commissioner, arising in this state out
47 of or in connection with the application for or exercise of the
48 license. The appointment of the Secretary of State as agent for
49 service of process shall be irrevocable during the period within
50 which a cause of action against the applicant may arise out of
51 transactions with respect to subjects of insurance in this state.
52 Service of process on the Secretary of State shall conform to the
53 provisions of section twelve, article four of this chapter.

54 (h) A person seeking licensure shall provide evidence, in a
55 form acceptable to the commissioner, of its appointments or
56 contracts as a managing general agent. The commissioner may
57 refuse to renew the license of a person that has not been
58 appointed by, or otherwise authorized to act for, an insurer as a
59 managing general agent.

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

Gregory C. Wells
Chairman, House Committee

David F. ...
Chairman, Senate Committee

Originating in the House.

In effect ninety days from passage.

Gregory M. ...
Clerk of the House of Delegates

Joseph M. ...
Clerk of the Senate

[Signature]
Speaker of the House of Delegates

[Signature]
President of the Senate

The within *is approved* this the *7th*
day of *March*, 2014.

Earl Ray Tomblin
Governor

PRESENTED TO THE GOVERNOR

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Time 9:40 am