WEST VIRGINIA CODE: §12-6-4

§12-6-4. Management and control of fund; officers; staff; fiduciary or surety bonds for trustees; liability of trustees.

(a) The management and control of the board shall be vested solely in the trustees in accordance with the provisions of this article.

(b) The State Treasurer shall be the chairman of the board and the trustees shall elect a vice chairman who may not be a constitutional officer or his or her designee to serve for a term of two years. Effective with any vacancy in the vice chairmanship, the board shall elect a vice chairman to a new two-year term. The vice chairman shall preside at all meetings in the absence of the chairman. Annually, the trustees shall elect a secretary, who need not be a member of the board, to keep a record of the proceedings of the board.

(c) (1) The chairman of the board shall appoint a chief executive officer of the board, subject to board approval. The chief executive officer shall serve in his or her position until one of the following occur:

(A) A new chief executive officer of the board is appointed and approved by the board;

(B) The chief executive officer resigns from his or her position; or

(C) The chief executive officer is removed from his or her position by the board.

(2) The chairman of the board may appoint a temporary chief executive officer of the board, without board approval, to fill a vacancy in the position of chief executive officer for a period of time not to exceed six months.

(3) The chief executive officer shall have five years' experience in investment management with public or private funds within the 10 years next preceding the date of appointment. The chief executive officer additionally shall have academic degrees, professional designations, and other investment management or investment oversight or institutional investment experience in a combination the trustees consider necessary to carry out the responsibilities of the chief executive officer position as defined by the trustees. The trustees shall fix the duties and compensation of the chief executive officer.

(d) The trustees shall retain an internal auditor to report directly to the trustees and shall fix his or her compensation. The internal auditor shall be a certified public accountant with at least three years' experience as an auditor. The internal auditor shall develop an internal audit plan, with board approval, for the testing of procedures and the security of transactions.

(e) The board shall procure and maintain in effect commercially customary property, liability, crime, and other insurance to cover risks of loss from its operations. The types and

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amounts of the insurance coverages shall be determined by the board, from time to time, in its reasonable discretion, with reference to the types and amounts of insurance coverages purchased or maintained by other public institutions performing functions similar to those performed by the board: *Provided*, That the board shall purchase a blanket bond for the faithful performance of its duties in the amount of at least $10 million. The board may require that appropriate types and amounts of insurance be procured and maintained by, or a fiduciary or surety bond from a surety company qualified to do business in this state for, any person who has charge of, or access to, any securities, funds, or other moneys held by the board and the amount of the fiduciary or surety bond shall be fixed by the board. The premiums payable on any insurance or fiduciary or surety bonds that the board may require, from time to time, shall be an expense of the board. In connection with the duties of the board under this subsection, the board may establish, fund, and maintain a self-insurance account. If established, the board shall deposit and maintain moneys in the self-insurance account in amounts as may be determined by the board in consultation with one or more qualified insurance or actuarial consultants, and all moneys in any self-insurance account may be used only for the purpose of providing self-insurance, establishing reserves in connection with insurance deductibles, self-insured retentions, or self-insurance, or helping to defray the costs of insurance procured under this subsection, and for no other purpose. The board may procure any and all insurance coverages and bonds deemed appropriate by the board or required by the provisions of this article, either through the state Board of Risk and Insurance Management or in the commercial markets, in the discretion of the board.

(f) The trustees and employees of the board are not liable personally, either jointly or severally, for any debt or obligation created by the board: *Provided*, That the trustees and employees of the board are liable for acts of misfeasance or gross negligence.

(g) The board is exempt from the provisions of §12-3-7, §12-3-11, and §5A-3-1 *et seq*. of this code: *Provided*, That the trustees and employees of the board are subject to purchasing policies and procedures which shall be promulgated by the board. The purchasing policies and procedures may be promulgated as emergency rules pursuant to §29A-3-15 of this code.

(h) The amendments to this section adopted during the 2024 regular session of the Legislature are effective July 1, 2025.

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