WEST VIRGINIA CODE: §23-2A-1

§23-2A-1. Subrogation; limitations.

(a) Where a compensable injury or death is caused, in whole or in part, by the act or omission of a third party, the injured worker or, if he or she is deceased or physically or mentally incompetent, his or her dependents or personal representative are entitled to compensation under the provisions of this chapter, and shall not by having received compensation be precluded from making claim against the third party.

(b) Notwithstanding the provisions of §23-2A-1(a) of this code, if an injured worker, his or her dependents, or his or her personal representative makes a claim against the third party and recovers any sum for the claim:

(1) With respect to any claim arising from a right of action that arose or accrued, in whole or in part, on or after January 1, 2006, the private carrier or self-insured employer, whichever is applicable, shall be allowed statutory subrogation with regard to indemnity and medical benefits paid as of the date of the recovery.

(2) With respect to any claim arising from a right of action that arose or accrued, in whole or in part, prior to January 1, 2006, the Insurance Commissioner shall be allowed statutory subrogation with regard to only medical payments paid as of the date of the recovery: *Provided*, That with respect to any recovery arising out of a cause of action that arose or accrued prior to July 1, 2003, any money received by the Insurance Commissioner or self-insured employer as subrogation to medical benefits expended on behalf of the injured or deceased worker shall not exceed 50 percent of the amount received from the third party as a result of the claim made by the injured worker, his or her dependents or personal representative, after payment of attorneys' fee and costs, if such exist.

(3) Notwithstanding the provisions of §23-2A-1(b)(1) and (2) of this code, the Insurance Commissioner, acting as administrator of the Uninsured Employer Fund, shall be allowed statutory subrogation with regard to indemnity and medical benefits paid and to be paid from such fund regardless of the date on which the cause of action arose.

(c) For claims that arose or accrued, in whole or in part, prior to the effective date of the reenactment of this section in 2009, and all claims thereafter, the party entitled to subrogation shall permit the deduction from the amount received reasonable attorneys' fees and reasonable costs and may negotiate the amount to accept as subrogation.

(d) In the event that an injured worker, his or her dependents or personal representative makes a claim against a third party, there shall be, and there is hereby created, a statutory subrogation lien upon the moneys received which shall exist in favor of the Insurance Commissioner, private carrier, or self-insured employer, whichever is applicable.

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(e) It is the duty of the injured worker, his or her dependents, his or her personal representative, or his or her attorney to give reasonable notice to the Insurance Commissioner, private carrier, or self-insured employer, whichever is applicable, after a claim is filed against the third party and prior to the disbursement of any third-party recovery. The statutory subrogation described in this section does not apply to uninsured and underinsured motorist coverage or any other insurance coverage purchased by the injured worker or on behalf of the injured worker. If the injured worker obtains a recovery from a third party and the injured worker, personal representative, or the injured worker's attorney fails to protect the statutory right of subrogation created herein, the injured worker, personal representative, and the injured worker's attorney shall lose the right to retain attorney fees and costs out of the subrogation amount. In addition, such failure creates a cause of action for the Insurance Commissioner, private carrier, or self-insured employer, whichever is applicable, against the injured worker, personal representative, and the injured worker's attorney for the amount of the full subrogation amount and the reasonable fees and costs associated with any such cause of action.

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