WEST VIRGINIA CODE CHAPTER 31B ARTICLE 13

WV Legislature

§31B-13-1301. Definitions.

As used in this article:

(1) "Licensing board" means the governing body or agency established under chapter thirty of this code which is responsible for the licensing and regulation of the practice of the profession which the professional limited liability company is organized to provide;

(2) "Professional limited liability company" means a limited liability company organized under this chapter for the purpose of rendering a professional service; and

(3) "Professional service" means the services rendered by the following professions: Attorneys-at-law under article two, physicians and podiatrists under article three, dentists under article four, optometrists under article eight, accountants under article nine, veterinarians under article ten, architects under article twelve, engineers under article thirteen, osteopathic physicians and surgeons under article fourteen, chiropractors under article sixteen, psychologists under article twenty-one, social workers under article thirty, acupuncturists under article thirty-six and land surveyors under article thirteen-a, all of chapter thirty of this code.

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§31B-13-1302. Who may become a member; professional limited liability companies authorized.

(a) One or more persons duly licensed or otherwise legally authorized to render the same or compatible professional services or to otherwise practice together within this state may become members of a professional limited liability company under the provisions of this chapter for the purpose of rendering the same or compatible professional services. Notwithstanding any provision of this code to the contrary, including any limitation or restriction set forth in any licensing provision of chapter thirty of this code, a professional limited liability company may be formed to provide any of the professional services as defined in section one thousand three hundred one of this article.

(b) Any one or more persons who, under applicable legal or ethical rules or principles, can collectively practice the same or compatible professions, whether as general partners, joint venturers, fellow shareholders, fellow members or common business owners, may form, own and operate, as members, a professional limited liability company under this article. For purposes of this section, members of professional limited liability companies may be natural persons, professional corporations, other professional limited liability companies and professional partnerships. Professional limited liability companies may form, own and operate separate limited liability companies.

(c) No professional limited liability company organized under this article may have as a member anyone other than a person who is duly licensed or otherwise legally authorized to render the professional services for which the professional limited liability company was organized. The names of members of professional limited liability companies who have signature authority shall be furnished to the Secretary of State. Any change in the persons who have signature authority for a professional limited liability company shall be promptly reported to the Secretary of State.

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§31B-13-1303. Name.

The name of a professional limited liability company shall contain the words "professional limited liability company" or the abbreviation "P.L.L.C.", "PLLC", "Professional L.L.C.", or "Professional LLC".

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§31B-13-1304. Duty of licensing board.

The licensing board for each of the professions authorized to form professional limited liability companies under this article shall propose legislative rules for promulgation, in accordance with the provisions of article three, chapter twenty-nine-a of this code, providing for the implementation of this article and the procedures for the formation and approval of professional limited liability companies for the particular profession under the jurisdiction of such licensing board. The rules of each licensing board shall permit the formation and approval of professional limited liability companies with members from different professions.

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§31B-13-1305. Professional relationships not affected; liability for debts, etc., of limited liability company, its members, managers, employees and agents; individual liability.

(a) The provisions of this article shall not be construed to alter or affect the professional relationship between an individual furnishing professional services and a person receiving that service either with respect to liability arising out of that professional service or any confidential relationship between the individual rendering and the individual receiving the professional services, and all confidential relationships enjoyed under the laws of this state, whether now in existence, or hereafter enacted, shall remain inviolate.

(b) A member, manager, agent or employee of a professional limited liability company shall not, by reason of being a member, manager, agent or employee of a professional limited liability company, be personally liable for any debts or claims against, or the acts or omissions of the professional limited liability company or of another member, manager, agent or employee of the professional limited liability company.

(c) The professional limited liability company shall be liable for the acts or omissions of its members, managers, agents and employees to the same extent to which any other limited liability company would be liable for the acts or omissions of its members, managers, agents and employees while they are engaged in carrying on the professional limited liability company business.

(d) Notwithstanding any provision of this article to the contrary, any individual who renders a professional service as a member, manager, agent or employee of a professional limited liability company is liable for a negligent or wrongful act or omission in which the individual personally participated to the same extent as if the individual rendered the professional service as a sole practitioner.

(e) A professional limited liability company organized under this article shall carry at all times at least $1 million of professional liability insurance which shall insure the limited liability company and its members against liability imposed upon the company or any of its members arising out of the performance of professional services to patients or clients of the company by any of the members or professional or nonprofessional managers or employees of the limited liability company.

(f) If, in any proceeding, compliance by a professional limited liability company with the requirements of subsection (e) of this section is disputed, that issue shall be determined by the court, and the burden of proof of compliance shall be on the person who claims the limitation of liability set forth in subsection (b) of this section.

(g) If a professional limited liability company is in compliance with the requirements of subsection (e) of this section, the requirements of this section shall not be admissible or in any way be made known to a jury in determining an issue of liability for or extent of the obligation or damages in question.

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(h) A professional limited liability company is considered to be in compliance with subsection (e) of this section if it provides $1 million of funds specifically designated and segregated for the satisfaction of judgments against the limited liability company, its members or any of its professional or nonprofessional managers or employees resulting from any of the types of claims covered by subsection (e) of this section, by:

(1) Deposit in trust or in bank escrow of cash, bank certificates of deposit or United States treasury obligation; or

(2) A bank letter of credit or insurance company bond.

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§31B-13-1306. Application of article.

Except as otherwise specifically provided in this article, all provisions of this chapter governing limited liability companies shall be applicable to professional limited liability companies.

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