WEST VIRGINIA CODE CHAPTER 33 ARTICLE 12A

WV Legislature

§33-12A-1. Declaration of purpose.

It is hereby found and determined by the Legislature that it is essential to the best interests of the citizens of this state that the contractual relationship between insurance agents and insurance companies be established; and that this article is enacted for the purpose of prohibiting arbitrary and capricious cancellation of such contractual relationships.

WV Legislature

§33-12A-2. Definitions.

As used in this article:

(a) "Insurance company" means any individual, firm or corporation engaged in the business of selling insurance in this state, excepting only: (1) Clubs or associations organized under the laws of this state which sell insurance to their members and (2) companies engaged exclusively in the sale of life or accident and sickness insurance.

(b) "Insurance agent" means any individual, firm or corporation appointed by an insurance company, as defined herein, whose exclusive activity in this field is in behalf of a single insurance company and who is authorized by that company to solicit insurance or to negotiate insurance on its behalf, and who is authorized by the insurance company to effectuate and countersign insurance contracts on its behalf.

WV Legislature

§33-12A-3. Termination of contractual relationship; notice; good cause.

No insurance company may cancel, refuse to renew or otherwise terminate a written contractual relationship with any insurance agent who has been employed or appointed pursuant to that written contract by such insurance company for a period of more than five years, except for "good cause," as prescribed herein. If an insurance company proposes to cancel, fail to renew or otherwise terminate a contractual relationship with the agent, the company shall so notify the agent by certified mail at least ninety days prior to the date upon which the company proposed to cancel, fail to renew or terminate the contractual relationship. Such notice shall include a statement of the grounds upon which the insurance company bases its decision to cancel, refuse to renew or terminate any contractual relationship.

The following matters are "good cause" for an insurance company to terminate the contractual relationship with its agent:

(a) Criminal misconduct or gross negligence relating to the business or premises of the insurance agency;

(b) Fraud or moral turpitude;

(c) Abandonment or unattendance of the business or premises of the insurance agency for such period of time as may unreasonably interfere with the transacting of business;

(d) The failure by the agent to pay moneys over to the company for insurance contracts sold by the agency;

(e) The death or disability of the agent; and

(f) Upon the company becoming insolvent or discontinuing any line of insurance for any business purpose: Provided, That the Insurance Commissioner shall notify or cause to be notified in writing all agents of such insolvent insurance company that they are no longer entitled to any benefit under their contract with the insolvent company.

WV Legislature

§33-12A-4. Notice of cancellation void in certain cases.

If, upon receipt by the insurance agent of the notice of proposed cancellation provided by the preceding section, the insurance agent prior to the established cancellation date as stated in the notice rectifies or eliminates the stated ground constituting "good cause" for cancellation of the contract, the notice shall be void.

WV Legislature

§33-12A-5. Violation of provisions of this article; statute of limitations.

If any insurance company cancels, refuses to renew or otherwise terminates the contractual relationship with any agent in violation of the provisions of this article, the agent who has been damaged thereby has a cause of action against the insurance company for specific performance, injunctive relief or for damages sustained by the plaintiff as a result of the termination of the relationship, including ascertainable loss of goodwill as a result of the termination of the relationship: Provided, That any action brought by an insurance agent against an insurance company for wrongful termination of the contractual relationship shall be commenced within two years after such wrongful termination.

WV Legislature