WEST VIRGINIA CODE: §33-20-6

§33-20-6. Rating organizations.

(a) A corporation, an unincorporated association, a partnership or an individual, whether located within or outside this state, may make application to the commissioner for license as a rating organization for such kinds of casualty insurance or subdivisions thereof, or for such kinds of fire and marine insurance or subdivision or class of risk or a part or combination thereof as are specified in its application and shall file therewith (1) a copy of its Constitution, its articles of agreement or association or its certificates of incorporation, and of its bylaws, rules governing the conduct of its business, (2) a list of its members and subscribers, (3) the name and address of a resident of this state as attorney-in-fact upon whom notices or orders of the commissioner or process affecting such rating organization may be served and (4) a statement of its qualifications as a rating organization. If the commissioner finds that the applicant is competent, trustworthy and otherwise qualified to act as a rating organization and that its Constitution, articles of agreement or association or certificate of incorporation, and its bylaws, rules governing the conduct of its business conform to the requirements of law, he shall issue a license specifying the kinds of insurance or subdivisions thereof for which the applicant is authorized to act as a rating organization. Every application shall be granted or denied in whole or in part by the commissioner within sixty days of the date of its filing with him Licenses issued pursuant to this section shall remain in effect for three years unless sooner suspended or revoked by the commissioner. The fee for the license shall be $100, and the fee shall be in lieu of all other fees, licenses or taxes to which a rating organization might otherwise be subject, all fees so collected to be used for the purposes specified in section thirteen, article three of this chapter. Licenses issued pursuant to this section may be suspended or revoked by the commissioner, after notice and hearing, in the event the rating organization ceases to meet the requirements of this article. Every rating organization shall notify the commissioner promptly of every change in (1) its Constitution, its articles of agreement or association or its certificate of incorporation, and its bylaws, rules governing the conduct of its business, (2) its list of members and subscribers and (3) the name and address of the resident of this state designated as attorney-in-fact by it upon whom notices or orders of the commissioner or process affecting such rating organization may be served.

(b) Subject to rules which have been approved by the commissioner as reasonable, each rating organization shall permit any insurer, not a member, to be a subscriber to its rating services for any kind of casualty insurance or subdivision thereof, or for any kind of fire and marine insurance or subdivision or class of risk or a part or combination thereof, or any kind of surety insurance or subdivision thereof, for which it is authorized to act as a rating organization. Notice of proposed changes in such rules shall be given to subscribers. Each rating organization shall furnish its rating services without discrimination to its members and subscribers. The reasonableness of any rule or regulation in its application to subscribers, or the refusal of any rating organization to admit an insurer as a subscriber,

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shall, at the request of any subscriber or any such insurer, be reviewed by the commissioner. If, after notice and hearing, the commissioner finds that the rule or regulation is unreasonable in its application to subscribers, he shall order that such rule or regulation shall not be applicable to subscribers. If the rating organization fails to grant or reject an insurer's application for subscribership within thirty days after it was made, the insurer may request a review by the commissioner as if the application had been rejected. If, after notice and hearing, the commissioner finds that the insurer has been refused admittance to the rating organization as a subscriber without justification, he shall order the rating organization to admit the insurer as a subscriber. If he finds that the action of the rating organization was justified, he shall make an order affirming its action.

(c) No rating organization shall adopt any rule the effect of which would be to prohibit or regulate the payment of dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers.

(d) Cooperation among rating organizations or among rating organizations and insurers in rate making or in other matters within the scope of this article is hereby authorized, provided the filings resulting from such cooperation are subject to all the provisions of this article which are applicable to filings generally. The commissioner may review such cooperative activities and practices, and if after a hearing he finds that any such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this article, he may issue a written order specifying in what respects such activity or practice is unfair or unreasonable or otherwise inconsistent with the provisions of this article, and requiring the discontinuance of such activity or practice.

(e) Any rating organization for casualty, marine or surety insurance may provide for the examination of policies, daily reports, binders, renewal certificates, endorsements or other evidences of insurance, or the cancellation thereof, and may make reasonable rules governing their submission. The rules shall contain a provision that in the event any insurer does not within sixty days furnish satisfactory evidence to the rating organization of the correction of any error or omission previously called to its attention by the rating organization, it shall be the duty of the rating organization to notify the commissioner thereof. All information so submitted for examination shall be confidential.

(f) Any rating organization may subscribe for or purchase actuarial, technical or other services, and these services shall be available to all members and subscribers without discrimination.

(g) Any rating organization responsible for establishing fire rate classifications for West Virginia cities, towns, and fire districts shall:

(1) Review a request for classification revision within ninety days after receiving said request in writing from an entity for which the rating organization provides a public fire protection classification. Such written requests for classification revision must be made by the chief official of the city, town or fire district and must outline the specific changes in

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conditions in the entity that would warrant a classification revision.

(A) If the changed conditions in the entity do not warrant a revision to the applicable classification, the rating organization must provide the entity with a written response outlining the reasons why such changes in condition will not impact the classification.

(B) If the changed conditions in the entity indicate a potential revision to the applicable classification, the rating organization may request reasonable additional information from the entity. Upon receipt of such information, and upon determination that a classification revision may be indicated, the rating organization must schedule a survey of the entity.

(2) Complete any required survey, analysis, and written evaluation of the entity and develop any applicable classification revision within sixty days after all necessary information about changed conditions has been received in writing by the rating organization from the entity.

(3) Advise its participating insurers within sixty days after the revised public fire protection classification has been developed reflecting the changed conditions in the entity.

(4) Have the option to request a reasonable extension of the above described time frames from the Insurance Commissioner if unusual conditions exist including, but not limited to, unusual weather conditions or difficulty in scheduling a mutually convenient survey time.

(5) File the following with the Insurance Commissioner:

(A) Within thirty days of its publication:

(i) A copy of a current list of all classifications established in West Virginia. Such list shall be published on at least a quarterly basis and;

(ii) All changes in established classifications during the previous month. Such list shall be published on a monthly basis.

(B) Within thirty days after being requested by the Insurance Commissioner pursuant to this paragraph, a copy of guidelines used to establish classifications, stating the minimum qualifications, standards and requirements for each classification (classes one through ten).

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