WEST VIRGINIA CODE: §33-21-10

§33-21-10. Attorney's bond.

(a) Concurrently with the filing of the application provided for in section six of this article, the attorney of a domestic reciprocal insurer shall file with the commissioner a bond in favor of the State of West Virginia for the benefit of all persons damaged as a result of breach by the attorney of the conditions of his bond as set forth in paragraph (b) of this section. The bond shall be executed by the attorney and by an authorized corporate surety, and shall be subject to the commissioner's approval.

(b) The bond shall be in the penal sum of $25,000, aggregate in form, conditioned that the attorney will faithfully account for all moneys and other property of the insurer coming into his hands, and that he will not withdraw or appropriate to his own use from the funds of the insurer, any moneys or property to which he is not entitled under the power of attorney.

(c) The bond shall provide that it is not subject to cancellation unless thirty days' advance notice in writing of cancellation is given both the attorney and the commissioner.

(d) In lieu of such bond, the attorney may maintain on deposit with the State Treasurer through the office of the commissioner a like amount in cash or in value of securities qualified under this chapter as insurers' deposit investments, and subject to the same conditions as the bond.

(e) Action on the attorney's bond or to recover against any such deposit made in lieu thereof may be brought at any time by one or more subscribers suffering loss through a violation of its conditions, or by a receiver or liquidator of the insurer. Amounts recovered on the bond shall be deposited in and become part of the insurer's funds. The total aggregate liability of the surety shall be limited to the amount of the penalty of such bond.

WV Legislature