WEST VIRGINIA CODE: §33-25-7

§33-25-7. Licenses.

(a) Before it may issue any contract to a subscriber, a corporation desiring to establish, maintain and operate a direct health care plan must first obtain from the commissioner a license as provided in this section.

(b) Applications for an original license shall be made on forms prescribed and furnished by the commissioner and shall be accompanied by the following documents and information: (1) Certificate of incorporation; (2) bylaws; (3) list of names and residence addresses of all officers and board of directors of the corporation; (4) contracts between the corporation and persons, firms, corporations or associations to render direct health care services; (5) proposed contracts to be issued to subscribers setting forth in detail the direct health care services to which subscribers are entitled and the table of rates to be charged for such services; (6) financial statement showing the assets and liabilities of the corporation, the amount of contributions paid, or agreed to be paid, to the corporation for working capital, the names or name of each contributor and the terms of each contribution; and (7) any additional information as the commissioner may require.

(c) Within thirty days after receipt of an application, the commissioner shall, upon payment to him of a license fee of $200, issue a license authorizing the corporation to transact business in this state in the area to be served by it, if he is satisfied (1) that the applicant is incorporated in this state under the provisions of article one, chapter thirty-one of the Code of West Virginia as a bona fide, nonprofit corporation, (2) that the health care plan which the corporation proposes to operate, as well as the forms of all contracts which it proposes to issue under such health care plan, are based upon sound business principles and will be in every respect equitable, just and fair to the subscriber, (3) that the working capital available to the corporation will be sufficient to pay all operating expenses during the subscription period, (4) that the proposed plan will adequately serve the best interests of all the people of the area in which the corporation intends to operate, regardless of their race, color or religion, and (5) that the corporation shall have and maintain statutory surplus funds of at least $2,000,000: Provided, That corporations duly licensed under this article in West Virginia prior to the effective date of this section whose surplus requirements are increased by virtue of this section shall have until January 1, 1994, to meet such increased requirements.

(d) The commissioner may refuse to license a corporation when he determines that such corporation has not complied with the laws of this state, or that it is not in the best interest of the people of the state that such corporation be licensed, or that such corporation would transact business in this state in an improper, illegal or unjust manner. In such event, the commissioner shall enter an order refusing such license and the applicant therefor may have a hearing and judicial review in accordance with the applicable provisions of article two of this chapter relating to hearings before and judicial review of orders entered by the

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commissioner.

(e) All licenses issued under the provisions of this article shall expire at midnight on the thirty-first day of March next following the date of issuance. The commissioner shall renew annually the license of all corporations which qualify and make applications therefor upon a form prescribed by the commissioner upon payment to the commissioner of a renewal fee of $200.

(f) The commissioner shall, after notice and hearing, refuse to renew or shall revoke or suspend the license of a corporation, if the corporation: (1) Violates any provision of this article; (2) fails to comply with any lawful rule, regulation or order of the commissioner; (3) is transacting its business in an illegal, improper or unjust manner, or is operating in contravention of its articles of incorporation or any amendments thereto, of its bylaws, or of its health care plan; (4) is found by the commissioner to be in an unsound condition or in such condition as to jeopardize its obligations to subscribers and those with whom it has contracted; (5) compels subscribers to its health care program to accept less than the obligation due them under their contracts or agreements with the corporation; (6) refuses to be examined or to produce its accounts, records and files for examination by the commissioner when required; (7) fails to pay any final judgment rendered against it in West Virginia within thirty days after the judgment became final or time for appeal expired, whichever is later; (8) fails to pay when due to the State of West Virginia any fees, charges or penalties required by this chapter.

In those cases where the commissioner has the right to revoke, suspend or terminate the license or any renewal thereof of said corporation, the commissioner shall, by order, require the corporation to pay to the State of West Virginia a penalty in the sum not exceeding $1,000, and on the failure of the corporation to pay the penalty within thirty days after notice thereof, the commissioner shall revoke or suspend the license of the corporation.

When any license has been revoked, suspended or terminated, the commissioner may reinstate the license when he is satisfied that the conditions causing the revocation, suspension or termination have ceased to exist and are unlikely to recur.

In the event the commissioner revokes, suspends or terminates a license, the corporation may demand a hearing in the manner provided in article two of this chapter.

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