WEST VIRGINIA CODE: §33-25D-4

§33-25D-4. Conditions precedent to issuance or maintenance of a certificate of authority; renewal of certificate of authority; effect of bankruptcy proceedings.

(a) As a condition precedent to the issuance or maintenance of a certificate of authority, a prepaid limited health service organization shall file or have on file with the commissioner:

(1) An acknowledgment that a delinquency proceeding pursuant to article ten of this chapter or supervision by the commissioner pursuant to article thirty-four of this chapter is the sole and exclusive method for the liquidation, rehabilitation, reorganization, or conservation of a prepaid limited health service organization;

(2) A waiver of any right to file or be subject to a bankruptcy proceeding;

(3) Within thirty days of any change in the membership of the governing body of the organization or in the officers or persons holding five percent or more of the common stock of the organization, or as otherwise required by the commissioner:

(A) An amended list of the names, addresses and official positions of each member of the governing body, and a full disclosure of any financial interest by a member of the governing body or any provider or any organization or corporation owned or controlled by that person and the prepaid limited health service organization and the extent and nature of any contract or financial arrangements between that person and the prepaid limited health service organization; and

(B) A complete biographical statement on forms prescribed by the commissioner and an independent investigation report on each such person for whom a biographical statement and independent investigation report have not previously been submitted.

(b) All certificates of authority issued to prepaid limited health service organizations expire at midnight on the thirty-first day of May of each year. The commissioner shall renew annually the certificates of authority of all prepaid limited health service organizations which continue to meet all requirements of this section and subsection (b), section five of this article, make application therefor upon a form prescribed by the commissioner and pay the renewal fee prescribed: Provided, That a prepaid limited health service organization does not qualify for renewal of its certificate of authority if the organization has no subscribers in this state within twelve months after issuance of the certificate of authority: Provided, however, That an organization not qualifying for renewal may apply for a new certificate of authority under section three of this article.

(c) The commencement of a bankruptcy proceeding either by or against a prepaid limited health service organization, by operation of law:

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(1) Terminates the prepaid limited health service organization's certificate of authority; and

(2) Vests in the commissioner for the use and benefit of the subscribers of the prepaid limited health service organization the title to any deposits of the prepaid limited health service organization held by the commissioner.

(d) If the bankruptcy proceeding is initiated by a party other than the prepaid limited health service organization, the operation of subsection (c) of this section is stayed for a period of sixty days following the date of commencement of the proceeding.

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