

## WEST VIRGINIA CODE: §33-27A-4

### **§33-27A-4. Voting rights of mutual policyholders regarding reorganization; notice of public hearing.**

(a) A reorganization plan adopted by a mutual insurance company's board of directors shall be voted upon by the mutual insurance company's policyholders at a policyholders meeting. A policyholder is entitled to cast only one vote, in person or by proxy, on the reorganization plan regardless of the number of policies or contracts that the policyholder may own or hold. Only proxies specifically related to the reorganization plan shall be used in determining whether the reorganization plan is approved.

(b) All policyholders shall be given notice of the policyholders meeting to vote upon the reorganization plan at least 30 days prior to the date fixed for the policyholder's meeting. Notice of the time and place of such meeting shall be sent by mail to each policyholder at the policyholder's post office address as it appears on the books and records of the company. The notice shall include a summary of the reorganization plan adopted by the board of directors, including an analysis of the material financial aspects and potential for dissolution of the policyholder's interests in the mutual insurance company under the reorganization plan, a uniform ballot for voting on the question of the reorganization plan, and a statement informing the policyholders that the Insurance Commissioner may fix a time and place for a public hearing on the reorganization plan, to be held within 30 days after the Insurance Commissioner's receipt of written notice from the of the policyholders approval of the reorganization plan.

(c) A reorganization plan shall be approved upon receiving the affirmative vote of at least a majority of the votes cast by policyholders.

(d) If a reorganization plan is approved at the policyholder's meeting:

(1) The board of directors of the mutual insurance company shall provide the Insurance Commissioner with written notice of that approval within 10 days after the policyholder's meeting.

(2) The Insurance Commissioner may within 10 days after receiving notice from the board of directors, provide written notice to the mutual insurance company of the commissioner's intent to conduct one or more public hearings on the reorganization plan. At a minimum, the Insurance Commissioner's notice to the mutual insurance company shall include a time and a place for the first public hearing which shall be held within 30 days after the commissioner's receipt from the board of directors.

(3) Within 10 days after the mutual insurance company's receipt of a notice from the Insurance Commissioner of his or her intent to conduct one or more public hearings on the reorganization plan, if such notice is provided, the mutual insurance company shall provide

notice of the time and place of such hearing by causing this information to be published once each week for two consecutive weeks in a newspaper with statewide circulation and in the county of the state in which the mutual insurance company has its principle office.

(e) The proposed articles of incorporation for the mutual insurance holding company and a reorganized stock company and if applicable, for the intermediate holding company, as filed with the Insurance Commissioner, shall also be voted on by the mutual insurance company's policyholders at the policyholder meeting held pursuant to this section. The articles of incorporation shall be adopted upon receiving the affirmative vote of at least a majority of those casts by policyholders.

(f) At all public hearings conducted by the Insurance Commissioner pursuant to this article, the commissioner may summon and compel attendance and testimony of witnesses and the production of books and papers. The Insurance Commissioner shall hear the testimony of the person that is claiming to be adversely affected by the reorganization plan, and of others wishing to comment on the reorganization plan. Such persons may present a position and offer comments concerning the reorganization plan, including a position and comments concerning whether the reorganization plan is fair and equitable to the mutual insurance company policyholders and whether it complies with the provisions of this article.

(g) A mutual insurance company's failure to provide a member or members with notice required by this section shall not impair the validity of any action taken under this article, if the mutual insurance company has complied substantially and in good faith with all those requirements. The determination as to such compliance shall be made by the Insurance Commissioner.