

WEST VIRGINIA CODE: §33-31A-2

§33-31A-2. Definitions.

As used in this article, unless the context requires otherwise:

(1) "Participant" means associations, corporations, limited liability companies, partnerships, trusts and other business entities and any affiliates thereof that are insured by a sponsored captive insurance company where the losses of the participant are limited through a participant contract to such participant's pro rata share of the assets of one or more protected cells identified in such participant contract.

(2) "Participant contract" means a contract by which a sponsored captive insurance company insures the risks of a participant and limits the losses of each such participant to its pro rata share of the assets of one or more protected cells identified in such participant contract.

(3) "Protected cell" means a separate account established by a sponsored captive insurance company formed or licensed under the provisions of this chapter in which assets are maintained for one or more participants in accordance with the terms of one or more participant contracts to fund the liability of the sponsored captive insurance company assumed on behalf of such participants as set forth in such participant contracts.

(4) "Sponsor" means any entity that meets the requirements of section six of this article and is approved by the commissioner to provide all or part of the capital and surplus required by applicable law and to organize and operate a sponsored captive insurance company.

(5) "Sponsored captive insurance company" means any captive insurance company:

(A) In which the minimum capital and surplus required by applicable law is provided by one or more sponsors;

(B) That is formed or licensed under the provisions of this chapter;

(C) That insures the risks only of its participants through separate participant contracts; and

(D) That funds its liability to each participant through one or more protected cells and segregates the assets of each protected cell from the assets of other protected cells and from the assets of the sponsored captive insurance company's general account.