WEST VIRGINIA CODE: §33-33-1

§33-33-1. Declaration of policy and purpose.

(a) The purpose of this article is to improve the Insurance Commissioner's surveillance of the financial condition of insurers by requiring:

(1) An annual audit of financial statements reporting the financial position and the results of operations of insurers by independent certified public accountants;

(2) Communication of internal control related matters noted in an audit; and

(3) Management's report of internal control over financial reporting.

(b) Every insurer, as defined in subdivision (7), section two of this article, shall be subject to this article. Insurers having direct premiums written in this state of less than $1 million in any calendar year and less than one thousand policyholders or certificate holders of directly written policies nationwide at the end of the calendar year shall be exempt from this article for the year, unless the commissioner makes a specific finding that compliance is necessary for the commissioner to carry out statutory responsibilities. However, insurers having assumed premiums pursuant to contracts and/or treaties of reinsurance of $1 million or more will not be so exempt.

(c) Foreign or alien insurers filing audited financial reports in another state, pursuant to the other state's requirement for filing of audited financial reports which has been found by the commissioner to be substantially similar to the requirements herein, are exempt from sections three through eleven of this article if:

(1) A copy of the audited financial report, communication of internal control-related matters noted in an audit, report on significant deficiencies in internal controls and the accountant's letter of qualifications which are filed with the other state are filed with the commissioner in accordance with the filing dates specified in sections three, ten and ten-a of this article, respectively. Canadian insurers may submit accountants' reports as filed with the Office of the superintendent of Financial Institutions, Canada.

(2) A copy of any notification of adverse financial condition report filed with the other state is filed with the commissioner within the time specified in section nine of this article.

(d) Foreign or alien insurers required to file Management's Report of Internal Control over Financial Reporting in another state are exempt from filing the report in this state provided the other state has substantially similar reporting requirements and the report is filed with the commissioner of the other state within the time specified.

(e) This article shall not prohibit or preclude or in any way limit the commissioner from performing examinations of insurers as specified in section nine, article two of this chapter

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or any other examinations as the commissioner may be authorized by this chapter to perform.

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