WEST VIRGINIA CODE: §33-33-2

§33-33-2. Definitions.

As used in this article:

(1) “Accountant” or “independent certified public accountant” means an independent certified public accountant or accounting firm in good standing with the American Institute of Certified Public Accountants and in all states in which the accountant is licensed to practice; for Canadian and British companies, the terms mean a Canadian-chartered or British-chartered accountant.

(2) An “affiliate” of, or person “affiliated” with a specific person, is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

(3) “Audit committee” means a committee or equivalent body established by the board of directors of an entity for the purpose of overseeing the accounting and financial reporting processes of an insurer or group of insurers, and audits of financial statements of the insurer or group of insurers. The audit committee of any entity that controls a group of insurers may be deemed to be the audit committee for one or more of these controlled insurers solely for the purposes of this article at the election of the controlling person. If an audit committee is not designated by the insurer, the insurer’s entire board of directors shall constitute the audit committee.

(4) “Audited financial report” means and includes those items specified in section four of this article.

(5) “Indemnification” means an agreement of indemnity or a release from liability where the intent or effect is to shift or limit in any manner the potential liability of the person or firm for failure to adhere to applicable auditing or other professional standards, whether or not resulting in part from knowing of other misrepresentations made by the insurer or its representatives.

(6) “Independent board member” has the same meaning as described in subdivision (4), section 12 of this article.

(7) “Insurer” means any domestic insurer as defined in section six, article one of this chapter and includes any domestic stock insurance company, mutual insurance company, reciprocal insurance company, farmers’ mutual fire insurance company, fraternal benefit society, hospital service corporation, medical service corporation, health care corporation, health maintenance organization, captive insurance company or risk retention group and any licensed foreign or alien insurer defined in article one of this chapter.

WV Legislature

(8) “Group of insurers” means those licensed insurers included in the reporting requirements of article 27 of this chapter, or a set of insurers as identified by management for the purpose of assessing the effectiveness of internal control over financial reporting.

(9) “Internal audit function” means a person or persons that provide independent, objective and reasonable assurance designed to add value and improve an organization’s operations and accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

(10) “Internal control over financial reporting” means a process effected by an entity’s board of directors, management and other personnel designed to provide reasonable assurance regarding the reliability of the financial statements. The process includes the requirements set forth in subdivisions (2) through (7), subsection (b), section four of this article and those policies and procedures that:

(A) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets;

(B) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of the financial statements and that receipts and expenditures are being made only in accordance with authorizations of management and directors; and

(C) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of assets that could have a material effect on the financial statements.

(11) “SEC” means the United States Securities and Exchange Commission.

(12) “Section 404” means section 404 of the Sarbanes-Oxley Act of 2002 and the SEC’s rules and regulations promulgated thereunder.

(13) “Section 404 report” means management’s report on “internal control over financial reporting” as defined by the SEC and the related attestation report of the independent certified public accountant as described in subdivision (1) of this section.

(14) “SOX Compliant Entity” means an entity that either is required to be compliant with, or voluntarily is compliant with, all of the following provisions of the Sarbanes-Oxley Act of 2002:

(A) The preapproval requirements of Section 201, Section 10A(i) of the Securities Exchange Act of 1934;

(B) The audit committee independence requirements of Section 301, Section 10A(m)(3) of the Securities Exchange Act of 1934; and

(C) The internal control over financial reporting requirements of Section 404, Item 308 of

WV Legislature

SEC Regulation S-K.

WV Legislature