WEST VIRGINIA CODE: §33-46-17

§33-46-17. Grounds for denial, suspension or revocation of license.

(a) The license of an administrator shall be denied, suspended or revoked if the commissioner finds that the administrator:

(1) Is in an unsound financial condition;

(2) Is using methods or practices in the conduct of its business that render its further transaction of business in this state hazardous or injurious to insured persons or the public; or

(3) Has failed to pay any judgment rendered against it in this state within sixty days after the judgment has become final.

(b) The commissioner may deny, suspend or revoke the license of an administrator if the commissioner finds that the administrator:

(1) Has violated any lawful rule or order of the commissioner or any provision of the insurance laws of this state;

(2) Has refused to be examined or to produce its accounts, records and files for examination, or if any individual responsible for the conduct of affairs of the administrator, including members of the board of directors, board of trustees, executive committee or other governing board or committee; the principal officers in the case of a corporation or the partners or members in the case of a partnership, association or limited liability company; any shareholder or member holding directly or indirectly ten percent or more of the voting stock, voting securities or voting interest of the administrator; and any other person who exercises control or influence over the affairs of the administrator; has refused to give information with respect to its affairs; or has refused to perform any other legal obligation as to an examination, when required by the commissioner;

(3) Has, without just cause, refused to pay proper claims or perform services arising under its contracts or has, without just cause, caused covered individuals to accept less than the amount due them or caused covered individuals to employ attorneys or bring suit against the administrator to secure full payment or settlement of their claims;

(4) At any time fails to meet any qualification for which issuance of the license could have been refused had the failure then existed and been known to the commissioner;

(5) Or any of the individuals responsible for the conduct of its affairs, including members of the board of directors, board of trustees, executive committee or other governing board or committee; the principal officers in the case of a corporation or the partners or members in the case of a partnership, association or limited liability company; any shareholder or

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member holding directly or indirectly ten percent or more of its voting stock, voting securities or voting interest; and any other person who exercises control or influence over its affairs has been convicted of, or has entered a plea of guilty or nolo contendere to, a felony without regard to whether the adjudication was withheld;

(6) Is under suspension or revocation in another state; or

(7) Has failed to timely file its annual report pursuant to section sixteen of this article, if a resident administrator, or its statement and filing fee, as applicable, pursuant to subsections (d) and (e), section fourteen of this article if a nonresident administrator.

(c) The commissioner may, in his or her discretion and without advance notice or hearing, immediately suspend the license of an administrator if the commissioner finds that one or more of the following circumstances exist:

(1) The administrator is insolvent or impaired;

(2) A proceeding for receivership, conservatorship, rehabilitation or other delinquency proceeding regarding the administrator has been commenced in any state; or

(3) The financial condition or business practices of the administrator otherwise pose an imminent threat to the public health, safety or welfare of the residents of this state.

(d) If the commissioner finds that one or more grounds exist for the suspension or revocation of a license issued under this article, in any case except where that action is not mandatory, the commissioner may, in lieu of suspension or revocation, by order require the administrator to pay to the State of West Virginia a penalty in a sum not exceeding $10,000 and upon the failure of the administrator to pay the penalty within thirty days after notice of the penalty, the commissioner may revoke or suspend the license of the administrator.

(e) When any license has been revoked or suspended or renewal of the license refused, the commissioner may reissue, terminate the suspension or renew the license when he or she is satisfied that the conditions causing the revocation, suspension or refusal to renew have ceased to exist and are unlikely to recur.

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