# WEST VIRGINIA CODE: §33-5-23

**§33-5-23. Mutualization of stock insurer.**

(a) A domestic stock insurer may become a domestic mutual insurer pursuant to such plan and procedure as may be approved in advance by the commissioner.

(b) The commissioner shall not approve any such plan, procedure, or mutualization unless:

(1) It is equitable to both stockholders and policyholders;

(2) It is subject to approval by a vote of the holders of not less than three fourths of the insurer's capital stock having voting rights and by a vote of not less than two thirds of the insurer's policyholders who vote on such plan in person, by proxy or by mail, pursuant to such notice and procedure as may be approved by the commissioner;

(3) If a life insurer, the right to vote thereon is limited to those policyholders whose policies have face amounts of not less than $1,000 and have been in force for one year or more;

(4) Mutualization will result in retirement of shares of the insurer's capital stock at a price not in excess of the fair market value thereof as determined by competent disinterested appraisers;

(5) The plan provides for definite conditions to be fulfilled by a designated early date upon which such mutualization will be deemed effective; and

(6) The mutualization leaves the insurer with surplus funds reasonably adequate for the security of its policyholders and to continue successfully in business in the states in which it is then authorized to transact insurance, and for the kinds of insurance included in its license.

(c) This section shall not apply to mutualization under order of court pursuant to rehabilitation or reorganization of an insurer under article ten of this chapter.

WV Legislature