WEST VIRGINIA CODE: §33-5-26

§33-5-26. Reinsurance.

(a) A domestic stock or mutual insurer may accept reinsurance for the same kinds of insurance and within the same limits as it is authorized to transact direct insurance, unless such reinsurance is prohibited by its articles of incorporation.

(b) A domestic stock or mutual insurer may reinsure all or substantially all its business in force, or substantially all of a major class thereof, with another insurer by an agreement of bulk reinsurance; but such agreements shall not become effective unless filed in advance with and approved in writing by the commissioner.

(c) The commissioner shall approve such agreement within a reasonable time after such filing unless he or she finds that it is inequitable to the domestic insurer, its stockholders or members, or would substantially reduce the protection or service to its policyholders or members. If the commissioner does not approve the agreement, he or she shall so notify the insurer in writing specifying his or her reasons therefor.

(d) For the purposes of this section, "bulk reinsurance" means any quota share, surplus aid or portfolio reinsurance agreement which, of itself or in combination with other similar agreements, assumes fifty-one percent or more of the liability of the reinsured company.

(e) Any contract of reinsurance whereby a domestic stock or mutual insurer cedes more than seventy-five percent of the total of its outstanding insurance liabilities shall be subject to the approval, in writing, by the commissioner.

(f) A filing shall not be made pursuant to this section unless the reinsurance agreement be certified under oath by responsible officers of the reinsurer and the reinsured to contain the entire agreement between the parties to the reinsurance agreement.

(g) Credit for reinsurance shall be subject to the provisions of section fifteen, article four of this chapter.

WV Legislature