WEST VIRGINIA CODE: §33-6-31C

§33-6-31c. Substandard risk motor vehicle insurance policies; definitions; required notices and provisions; promulgation of rules; effective date; money penalty for failure to give required notice.

(a) For purposes of this section, the following definitions apply:

(1) A "substandard risk" means an applicant for insurance who presents a greater exposure to loss than that contemplated by commonly used rate classifications, as evidenced by one or more of the following conditions:

(A) A record of traffic accidents;

(B) A record of traffic law violations;

(C) Undesirable occupational circumstances; or

(D) Any other valid underwriting consideration.

(2) "Substandard risk rate" means a rate or premium charge that reflects the greater than normal exposure to loss which is assumed by an insurer writing insurance for a substandard risk.

(b) Every application for a motor vehicle insurance policy to be issued in this state and written on the basis of a substandard risk rate schedule shall have printed on the application, in bold-faced type in a contrasting color or in reverse print, a statement reading substantially as follows: THE POLICY FOR WHICH YOU ARE APPLYING HAS BEEN RATED IN ACCORDANCE WITH A SPECIAL RATING SCHEDULE FILED WITH THE COMMISSIONER OF INSURANCE PROVIDING FOR HIGHER PREMIUM CHARGES THAN THOSE GENERALLY APPLICABLE FOR AVERAGE RISKS. IF THE COVERAGE OR PREMIUM IS NOT SATISFACTORY, YOU MAY BE ELIGIBLE FOR OTHER INSURANCE. IF THIS COVERAGE OR PREMIUM IS SATISFACTORY, YOU MAY BE ELIGIBLE FOR COVERAGE UNDER A STANDARD OR PREFERRED POLICY IF DURING THE NEXT THREE YEARS YOU HAVE NO TRAFFIC VIOLATIONS OR ACCIDENTS AND YOU MAINTAIN CONTINUOUS INSURANCE COVERAGE.

(c) Every motor vehicle insurance policy issued in this state and written on the basis of a substandard risk rate schedule shall have printed on the policy, in bold-faced type in a contrasting color or in reverse print, a statement reading substantially as follows: THIS POLICY HAS BEEN RATED IN ACCORDANCE WITH A SPECIAL RATING SCHEDULE FILED WITH THE COMMISSIONER OF INSURANCE PROVIDING FOR HIGHER PREMIUM CHARGES THAN THOSE GENERALLY APPLICABLE FOR AVERAGE RISKS. IF THE COVERAGE OR PREMIUM IS NOT SATISFACTORY, YOU MAY BE ELIGIBLE FOR OTHER

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INSURANCE. IF THIS COVERAGE OR PREMIUM IS SATISFACTORY, YOU MAY BE ELIGIBLE FOR COVERAGE UNDER A STANDARD OR PREFERRED POLICY IF DURING THE NEXT THREE YEARS YOU HAVE NO TRAFFIC VIOLATIONS OR ACCIDENTS AND YOU MAINTAIN CONTINUOUS INSURANCE COVERAGE.

(d) All insurers licensed or registered in this state to market or sell substandard risk motor vehicle insurance policies shall submit all applications and policies for substandard risk insurance to the commissioner of insurance for approval prior to being used by the insurer.

(e) All insurers selling or which have in force substandard risk motor vehicle insurance policies shall provide a one-time notice in writing to the policyholders who have maintained continuous insurance coverage for three years, have not been convicted of any moving traffic violations and had no at fault accidents that they may be eligible for coverage under a standard or preferred policy. The commissioner may levy an administrative penalty not to exceed $1,000 for each incidence where an insurer fails to give notice in accordance with the provisions in this subsection.

(f) The commissioner shall promulgate rules in accordance with the provisions of article three, chapter twenty-nine-a of this code regarding the format, style, design and approval of substandard risk insurance applications, notices and policies and any other procedures that are required by this section.

(g) This section, as amended in the year 2002, shall take effect on July 1, 2002.

WV Legislature