

# WEST VIRGINIA CODE: §33-6C-5

## **§33-6C-5. Premium refunds; calculation of the same; payments.**

(a) Refunds to West Virginia policyholders made pursuant to section four of this article and based upon annual earned premium volume in West Virginia shall be calculated by multiplying the anticipated loss ratio by the applicable earned premium during the experience period and subtracting from that result the actual incurred claims during the experience period.

(b) Refunds to West Virginia policyholders made pursuant to section four of this article and based upon national annual earned premium volume shall be calculated by:

(1) Multiplying the anticipated loss ratio by the applicable earned premium during the experience period and subtracting from that result the actual incurred claims during the experience period; and

(2) Multiplying the results of subsection (1) by the total earned premium during the experience period from all West Virginia policyholders eligible for refunds; and

(3) Dividing the results of subsection (2) by the total earned premium during that period in all states on the policy form.

(c) Refunds must be made to all West Virginia policyholders who are insured under the applicable policy form as of the last day of the experience period. Such refund shall include interest, at the current accident and health reserve interest rate established by the national association of Insurance Commissioners, from the end of the experience period until the date of payment. Payment shall be made during the third quarter of the year following the experience period for which a refund is determined to be due.

(d) Refunds of less than \$10 shall be aggregated and held by the insurer in a policyholder's liability fund and shall be used to offset any future rate increases.