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ENROLLED BILL

House Bill No. 349

(By Mr. Hines)

Passed March 13, 1931

In Effect Ninety days from Passage

Originated in the
House
Clerk.

Takes effect
March 13, 1931
Clerk of the House of Delegates.

CORRECTLY ENROLLED

Chairman House Committee.

Chairman Senate Committee.

ENROLLED BILL

(H. B. No. 349)

[Passed March 13, 1931 ; In effect ninety days from passage.]

AN ACT to amend and re-enact sections three and four of article nine, chapter thirty-three, of the code of West Virginia, one thousand nine hundred thirty-one, relative to deposits to be made with the state treasurer by insurance companies before obtaining a license to write annuity contracts.

Be it enacted by the Legislature of West Virginia:

That sections three and four of article nine of chapter thirty-three, of the code of West Virginia, one thousand nine hundred thirty-one, be amended and re-enacted so as to read as follows:

Section 3. Before a license to transact business in this
2 state shall be issued by the insurance commissioner to any
3 person, association, or corporation within the purview of sec-
4 tion one of this article, the insurance commissioner shall re-
5 quire the applicant to deposit with the state treasurer (in
6 accordance with article five, chapter twelve of this code), in
7 trust, for the benefit of its contract holders, bonds of the

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Jacob D. Smith

Chairman Senate Committee.

Samuel M. Madsen

Chairman House Committee.

8 state of West Virginia, or such other bonds and securities in-
9 cluding bonds issued by the West Virginia bridge commis-
10 sion as may be approved by said insurance commissioner, or
11 both, to the aggregate amount of one hundred thousand dol-
12 lars, and, in addition to such deposit, such person, associa-
13 tion or corporation shall maintain at all times a deposit with
14 the state treasurer of bonds and securities approved by the in-
15 surance commissioner to an amount equal to the total amount
16 which such person, association or corporation may be liable
17 to pay in cash to the holders of all contracts under the terms
18 thereof at the time of the deposit: *Provided*, That when, by
19 the laws of any other state, any such person, association or
20 corporation shall have been required to make and shall have
21 made such deposit in such state, equal or greater in amount
22 for the benefit of contract holders in such state, upon the
23 filing of a certificate to such effect from the proper officer in
24 such state with the insurance commissioner of this state, such
25 person, association or corporation shall not be required to
26 make such deposit with the treasurer of this state for the
27 benefit of its contract holders in such other state; and when
28 the laws of any other state require such deposit less in amount,

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Joseph D. Smith

Chairman Senate Committee.

Samuel M. Anderson

Chairman House Committee.

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29 such person, association or corporation shall file a certifi-
30 cate from the proper officer in such state with the insurance
31 commissioner of this state showing the amount of the deposit
32 made, and shall deposit with the treasurer of this state an
33 amount which, together with the deposit made in such other
34 state, shall make up the total amount required by this state
35 to be deposited by such person, association or corporation,
36 and such contract holders in such other state shall not be
37 entitled to the benefit of the securities deposited with the
38 treasurer of this state under this article, except so much of
39 such deposit as may be made to complete the total amount re-
40 quired by this article where the law of any other state re-
41 quires a lesser amount.

42 The insurance commissioner may require an independent
43 appraisal, at the expense of the company, of any property
44 on which it holds a mortgage or trust deed or any bond or
45 other investment offered by such company for the purpose of
46 complying with the deposit provisions of this article.

Sec. 4. The words "bonds and securities" used in the fore-
2 going section, shall be construed to mean bonds or obligations
3 of the United States; or bonds of any state or any political

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Joseph D. Smith

Chairman Senate Committee

Samuel M. Jones

Chairman House Committee

4 subdivision thereof, including bonds issued by the West Vir-
5 ginia bridge commission; or bonds or obligations of any foreign
6 government, or territorial possession thereof; or bonds of any
7 private corporation secured by first mortgage or trust deed
8 on its property; or debentures, notes, preferred or guaranteed
9 stocks of a corporation whose net income applicable to pay-
10 ment of dividends for five years next preceding the date of
11 their being offered for deposit shall have been equal to at least
12 four per cent per annum on the par value on all its out-
13 standing stock, or, in case its stock has no par value, then on
14 the value at which such stock was issued; or bills and accep-
15 tances eligible for purchase by federal reserve banks; or notes
16 or bonds secured by first mortgage or trust deed on improved
17 real estate, to an amount not exceeding fifty per cent of its ap-
18 praised value, if they be accompanied by proper abstract of
19 title and fire insurance policy or policies to adequately pro-
20 tect the improvements on such real estate: *Provided*, That no
21 corporation shall deposit, under this article, more than ten per
22 cent of any preferred or guaranteed stock of any issuing
23 corporation.

CORRECTLY ENROLLED

James D. Smith
Chairman Senate Committee.

Charles C. Mason
Chairman House Committee.

James D. Smith
Speaker of the House of Delegates.

W. H. H. H.
Clerk of the House of Delegates.

M. S. Hodge
President of the Senate.

The within is *Approved*
this *18th* day of *March* 1931.

W. H. H. H.
Governor.

Filed in the office of the Secretary of State
of West Virginia **MAR 18 1931**
GEORGE W. SEABY,
Secretary of State.