

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1935



ENROLLED

SENATE BILL No. 157

(By Mr. Garrett)



PASSED March 1 1935

In Effect from Passage

157

ENROLLED

Senate Bill No. 157

(BY MR. GARRETT) (by request)

[Passed March 1, 1935; in effect from passage.]

AN ACT to amend and reenact section eighteen, article two, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, relating to discrimination and rebating by insurance companies and insurance agents, solicitors, brokers and other persons, and providing penalties.

Be it enacted by the Legislature of West Virginia:

That section eighteen, article two, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, be amended and reenacted to read as follows:

Section 18. No life insurance company doing business in

2 this state shall make or permit any distinction or discrimina-
3 tion in favor of individuals of the same class, or of equal
4 expectation of life, in the amount of payment or return of
5 premiums or rates charged for policies of insurance, or in
6 the dividends or other benefits payable thereon, or in any other
7 of the terms and conditions of the contract it makes, nor shall
8 any such company permit, or agent thereof offer or make,
9 any contract of insurance or agreement as to such contract
10 other than is plainly expressed in the issued policy thereon.
11 No other insurer, authorized to transact business in this state,
12 shall fix or make any rates or schedules of rates or charge a
13 rate which discriminates unfairly between risks in this state
14 of essentially the same hazard. Whenever it is made to appear
15 to the satisfaction of the insurance commissioner that such
16 discrimination exists, he may, after a full hearing either before
17 himself or before any salaried employee of the insurance de-
18 partment whose report he may adopt, order such discrimination
19 removed. The findings, determinations and orders of the com-
20 missioner shall be subject to review in the manner provided
21 in section thirteen, article two of this chapter. If complaint
22 is made to the insurance commissioner that any rate or premium

23 or schedule of rates or premiums discriminates unfairly in
24 violation of this section, or if the insurance commissioner shall
25 himself raise the question, without complaint, he shall send
26 written notice to the insurer, charging such rate or premium
27 or making use of such schedule of rates or premiums, but
28 such rate or premium or schedule may, nevertheless, be con-
29 tinued in effect until the issue as to its discriminatory character
30 is finally determined. And no company authorized or per-
31 mitted to do an insurance business within this state, or any
32 officer, agent, solicitor or representative thereof, shall make
33 any contract for such insurance on property or risk located
34 within the state against liability, casualty, accident or hazard
35 that may arise or occur thereon, or any agreement as to such
36 contract, other than as plainly expressed in the policy issued,
37 or to be issued, thereon; and no insurance company, association
38 or society, by itself or any other party, and no insurance agent,
39 solicitor or broker, personally, or by any other party, shall
40 offer, promise, allow, give, set off or pay, directly or indirectly,
41 any rebate of or part of the premium payable on the policy,
42 or on any policy, or agent's commission thereon, earnings,
43 profits, dividends, or other benefit founded, arising, accruing

44 or to accrue thereon, or therefrom, or any other valuable con-
45 sideration or inducement to or for insurance, on any risk in
46 this state now or hereafter to be written, which is not specified
47 in the policy contract of insurance, nor shall any such com-
48 pany, association, or society, agent, solicitor, or broker, person-
49 ally or otherwise, offer, promise, give, sell or purchase any
50 stocks, securities or property, or any dividends or profits
51 accruing or to accrue thereon, or other thing of value whatso-
52 ever as inducement to insurance, or in connection therewith,
53 which is not specified in the policy. And no insurance agent,
54 solicitor or broker, personally or by any other party, shall
55 directly or indirectly offer a loan through any building asso-
56 ciation or bank, or in any other way, as an inducement to
57 insurance, nor shall any insurance agent, solicitor or broker
58 require an applicant for a loan to cancel outstanding in-
59 surance in admitted and solvent companies: *Provided, That*
60 any insurance agent, solicitor or broker may accept the renewal
61 of any policy, even though such agent, solicitor or broker
62 represents a building association, bank or other party making
63 the insured a loan, if the insured protects the lender by an
64 indorsement on such policy in proper form. Upon satisfactory

65 evidence of the violation of any provision of this section by
66 any solicitor or agent of any insurance company, the insurance
67 commissioner shall forthwith revoke the certificate of authority
68 of such solicitor or agent, and no license shall be issued to
69 such agent or solicitor within one year from the date of the
70 revocation of such license; and any insurance company, asso-
71 ciation, or society, its officers, solicitors or agents, or any in-
72 surance broker violating the provisions of this section shall be
73 guilty of a misdemeanor, and, upon conviction thereof, shall
74 be fined one hundred dollars for each and every violation, or,
75 in the discretion of the court, imprisoned in the county jail
76 of the county in which the offense is committed for a period
77 of not less than ninety days nor more than six months.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Clinton Howard
Chairman Senate Committee

August D. Pickens
Chairman House Committee

Originated in the Senate
Takes effect from passage.

Amundson
Clerk of the Senate

Geo. Hall
Clerk of the House of Delegates

Chas. E. Helges
President of the Senate

John S. Pitts
Speaker House of Delegates

The within is approved this the 9th
day of March, 1935.

H. S. Kump
Governor

Filed in the office of the Secretary of State
of West Virginia. **MAR 12 1935**
Wm. S. O'BRIEN,
Secretary of State