

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1941



ENROLLED

HOUSE BILL No. 263

(By Mr. Bass)



PASSED March, 6, 1941

In Effect minutely days from Passage

ENROLLED

House Bill No. 263

(BY MR. BASS, OF GREENBRIER)

[Passed March 6, 1941; in effect ninety days from passage.]

AN ACT to amend and reenact section three, article three, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, relating to valuation of life insurance policies.

Be it enacted by the Legislature of West Virginia:

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

Section 3. *Valuation of Life Policies.*—Upon the receipt
2 of such report, the commissioner shall make a valuation
3 of all outstanding policies, additions thereto, unpaid
4 dividends and all other obligations of such company. All
5 valuations made by him or by his authority shall be made
6 upon the net premium basis, according to the standard
7 of valuations adopted by the company for the obligations

8 to be valued: *Provided*, That in every case the standard
9 of valuation employed shall be stated in his annual report.
10 Any company may adopt different standards for obliga-
11 tions of different dates or classes, but if the total value
12 determined by any such standard for the obligations for
13 which it has been adopted shall be less than that de-
14 termined by the legal minimum standard hereinafter
15 prescribed, or if the company adopt no standard, said
16 legal minimum standard shall be used. The commis-
17 sioner may vary the standards of interest and mortality
18 in the case of corporations from foreign countries and in
19 particular cases of invalid lives and other extra hazards,
20 and value policies in groups, use approximate averages
21 for fractions of a year or otherwise, and calculate values
22 by net premiums /or otherwise, and accept the valua-
23 tion of the department of insurance of any other state
24 in place of the valuation herein required if the insurance
25 officer of such state accepts as sufficient and valid for all
26 purposes the certificate of valuation of the insurance com-
27 missioner of this state. Policies issued by companies doing
28 business in this state may provide for not more than one

*of which
already done
in the*

29 year preliminary term insurance: *Provided, however,*
30 That if, the premium charged for term insurance under
31 a limited payment life preliminary term policy provid-
32 ing for the payment of all premiums thereof in less than
33 twenty-years from the date of the policy, or under
34 an endowment preliminary term policy, exceeds that
35 charged for like insurance under twenty payment life
36 preliminary term policies of the same company, the
37 reserve thereon at the end of any year, including the
38 first, shall not be less than the reserve on a twenty pay-
39 ment life preliminary term policy issued in the same year
40 and at the same age, together with an amount which shall
41 be equivalent to the accumulation of a net level pre-
42 mium sufficient to provide for a pure endowment at the
43 end of the premium payment period, equal to the differ-
44 ence between the value at the end of such period of such
45 a twenty payment life preliminary term policy and a full
46 reserve at such time of such a limited payment life or
47 endowment policy. The legal minimum standard for con-
48 tracts issued before the first day of January, in the year
49 one thousand nine hundred one, shall be actuaries' or com-

50 bined experience table of mortality with interest at four
51 per cent per annum, and for contracts issued on or after
52 said date shall be the "American Experience Table" of
53 mortality with interest at three and one-half per cent
54 per annum.

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

E. H. McKeown

Chairman Senate Committee

Leon Rice

Chairman House Committee

Originated in the *House of Delegates*

Takes effect *ninety days from* passage.

A. Hale Watkins

Clerk of the Senate

J. Halliff

Clerk of the House of Delegates

Bryan Randolph

President of the Senate

Malden R. Arnold

Speaker House of Delegates

The within *approved* this the *14th* day of *March*, 1941.

Matthew M. Neely

Governor.

Filed in the office of the Secretary of State of West Virginia. MAR 17 1941

Wm. S. O'BRIEN, Secretary of State

MAR 17 1941