WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1941

ENROLLED

HOUSE BILL No. 263

(By Mr. Bass)

PASSED March 6, 1941

In Effect ninety days from Passage
ENROLLED

House Bill No. 263
(By Mr. Bass, of Greenbrier)

[Passed March 8, 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 of such report, the commissioner shall make a valuation of all outstanding policies, additions thereto, unpaid dividends and all other obligations of such company. All valuations made by him or by his authority shall be made upon the net premium basis, according to the standard of valuations adopted by the company for the obligations
to be valued: *Provided*, That in every case the standard of valuation employed shall be stated in his annual report. Any company may adopt different standards for obligations of different dates or classes, but if the total value determined by any such standard for the obligations for which it has been adopted shall be less than that determined by the legal minimum standard hereinafter prescribed, or if the company adopt no standard, said legal minimum standard shall be used. The commissioner may vary the standards of interest and mortality in the case of corporations from foreign countries and in particular cases of invalid lives and other extra hazards, and value policies in groups, use approximate averages for fractions of a year or otherwise, and calculate values by net premiums or otherwise, and accept the valuation of the department of insurance of any other state in place of the valuation herein required if the insurance officer of such state accepts as sufficient and valid for all purposes the certificate of valuation of the insurance commissioner of this state. Policies issued by companies doing business in this state may provide for not more than one
year preliminary term insurance: Provided, however,

That if, the premium charged for term insurance under a limited payment life preliminary term policy providing for the payment of all premiums thereof in less than twenty-years from the date of the policy, or under an endowment preliminary term policy, exceeds that charged for like insurance under twenty payment life preliminary term policies of the same company, the reserve thereon at the end of any year, including the first, shall not be less than the reserve on a twenty payment life preliminary term policy issued in the same year and at the same age, together with an amount which shall be equivalent to the accumulation of a net level premium sufficient to provide for a pure endowment at the end of the premium payment period, equal to the difference between the value at the end of such period of such a twenty payment life preliminary term policy and a full reserve at such time of such a limited payment life or endowment policy. The legal minimum standard for contracts issued before the first day of January, in the year one thousand nine hundred one, shall be actuaries’ or com-
bined experience table of mortality with interest at four per cent per annum, and for contracts issued on or after said date shall be the "American Experience Table" of mortality with interest at three and one-half per cent per annum.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the House of Delegates.

Takes effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

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

Governor.

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

Wm. S. O'Brien,
Secretary of State