

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1951



ENROLLED

HOUSE BILL No. 229

(By Mr. Meadows)



PASSED March 5 1951

In Effect from Passage



ENROLLED
House Bill No. 229
(By MR. MEADOWS)

[Passed March 5, 1951; in effect from passage.]

AN ACT to amend and reenact section five, article thirteen, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to supervision of hospital and medical service corporations, providing that the expenses of examination by the insurance commissioner shall be borne by the nonprofit hospital or medical service corporation being examined.

Be it enacted by the Legislature of West Virginia:

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

Section 5. *Supervision by Insurance Commissioner; Annual Reports.*—The insurance commissioner shall, to the
2 extent specified in this article, have general supervisory
3 control over every such corporation, and it shall be his
4

5 duty to see that the provisions hereof are properly exe-
6 cuted and administered.

7 No such corporation shall, without the prior approval
8 of the commissioner, make any change in the terms of
9 its contract with subscribers or in the form of its applica-
10 tions, renewals, riders or endorsements; nor, after the first
11 year of its operation, shall any such corporation use for
12 administrative expenses more than twenty per cent of its
13 gross collections without first having obtained the approval
14 of the commissioner. No such corporation shall include in
15 its name the words "insurance", "casualty", "surety",
16 "health and accident", "mutual", or any other words de-
17 scriptive of the insurance or surety business; nor shall
18 such name be so similar to that of any insurance or surety
19 company, which was doing business in the state when
20 such corporation was formed, as to tend, in the opinion of
21 the insurance commissioner, to confuse the public.

22 The insurance commissioner, or his accredited examin-
23 ers shall, at least once in every four years, visit every such
24 corporation, and thoroughly examine its financial condi-
25 tion and shall have free access to all books, papers and doc-

26 uments relating to the business of the corporation, and may
27 administer oaths and compel the attendance of witnesses,
28 including any officer, agent or employee of the corpora-
29 tion, in connection with any inquiry by him concerning
30 the affairs or condition of the corporation. All the ex-
31 penses of such examination shall be borne by the corpora-
32 tion examined.

33 The insurance commissioner shall pass upon the actu-
34 arial soundness of the schedule of rates to be charged
35 subscribers and fees to be paid hospitals and physicians
36 by every such corporation. If in his opinion the schedule
37 of rates and fees is not actuarially sound, the schedule
38 shall be returned to the corporation, together with a state-
39 ment setting forth the reasons for the disapproval. If the
40 corporation fails to submit an approved revised schedule
41 within sixty days after the schedule is returned to it, the
42 insurance commissioner shall fix such rates or fees as will
43 in his opinion render the service plan actuarially sound.

44 On or before the first day of March of each year, every
45 such corporation shall file with the insurance commis-
46 sioner an annual report for the preceding calendar year,

47 in such form as may be prescribed by him. Such report
48 shall show the financial condition of the corporation on
49 the last day of the preceding year, and shall be verified
50 by at least two of the principal officers of the corporation.

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

Robert C. Byrd

Chairman Senate Committee

James M. Loop

Chairman House Committee

Originated in the House of Delegates

Takes effect *from* passage.

Howard Hayes
Clerk of the Senate

J.R. Aliff
Clerk of the House of Delegates

F. Douglas Hunter
President of the Senate

W.E. Flanner
Speaker House of Delegates

The within *Approved* this the *15th*
day of *March*, 1951.

Chas. S. Patton
Governor



of West Virginia

MAR 15 1951
D. PITT O'BRIEN,
SECRETARY OF STATE