WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1951

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 extent specified in this article, have general supervisory control over every such corporation, and it shall be his
duty to see that the provisions hereof are properly executed and administered.

No such corporation shall, without the prior approval of the commissioner, make any change in the terms of its contract with subscribers or in the form of its applications, renewals, riders or endorsements; nor, after the first year of its operation, shall any such corporation use for administrative expenses more than twenty per cent of its gross collections without first having obtained the approval of the commissioner. No such corporation shall include in its name the words “insurance”, “casualty”, “surety”, “health and accident”, “mutual”, or any other words descriptive of the insurance or surety business; nor shall such name be so similar to that of any insurance or surety company, which was doing business in the state when such corporation was formed, as to tend, in the opinion of the insurance commissioner, to confuse the public.

The insurance commissioner, or his accredited examiners shall, at least once in every four years, visit every such corporation, and thoroughly examine its financial condition and shall have free access to all books, papers and doc-
uments relating to the business of the corporation, and may
administer oaths and compel the attendance of witnesses,
including any officer, agent or employee of the corpora-
tion, in connection with any inquiry by him concerning
the affairs or condition of the corporation. All the ex-
penses of such examination shall be borne by the corpora-
tion examined.

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

On or before the first day of March of each year, every
such corporation shall file with the insurance commis-
sioner an annual report for the preceding calendar year,
in such form as may be prescribed by him. Such report shall show the financial condition of the corporation on the last day of the preceding year, and shall be verified 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.

[Signature]
Chairman Senate Committee

[Signature]
Chairman House Committee

Originated in the House of Delegates

Takes effect from passage.

[Signature]
Clerk of the Senate

[Signature]
Clerk of the House of Delegates

[Signature]
President of the Senate

[Signature]
Speaker House of Delegates

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

[Signature]
Governor

D. Pitt O'Brien, Secretary of State