WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1965

ENROLLED

HOUSE BILL No. 612

(By Mr. Musteller and Mr. Pendexter)

PASSED February 26, 1965

In Effect Ninety days from Passage

Filed in the Office of
JOE R. CURLETT
SECRETARY OF STATE
THIS DATE 3-8-65
AN ACT to amend and reenact section seventeen, article four, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to prohibited interests of officers and directors in certain transactions.

Be it enacted by the Legislature of West Virginia:

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


Section 17. Prohibited Interests of Officers and Direc-
tors in Certain Transactions.—(a) No director or officer of an insurer shall accept, except for and on behalf of the insurer, or be the beneficiary of any fee, commission, brokerage, gift or other emolument or thing of value in addition to his fixed salary or compensation, because of any investment, loan, deposit, purchase, sale, exchange, or other similar transaction made by or for the insurer, or be pecuniarily interested in any capacity except on behalf of the insurer.

(b) No insurer shall guarantee the financial obligation of any of its officers or directors.

(c) This section shall not prohibit such a director or officer from becoming a policyholder of the insurer and enjoying thereunder the rights customarily provided therein for holders of such policies, nor shall this section prohibit a director or officer of an insurer from serving as an agent or general agent of such insurer and receiving regular established agency commissions therefor:

Provided, That the contract between the insurer and its officer and/or director has been approved by the board of directors of the insurer and a true copy thereof, certified
to by the secretary of the board of directors of such insurer, has been filed with the commissioner of insurance; nor shall this section prohibit such a director or officer of an insurer from receiving his share of the commission earnings of a stock exchange firm of which he is a partner, or a percentage of underwriting profits under a management contract: Provided, That such contract is subject to review and termination by the board of directors, nor shall this section prohibit the payment to a director or officer of a fee for legal services actually rendered to any such insurer provided such compensation is not in excess of the amounts customarily charged for the same type of service.
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.

Takes effect from passage. Ninety days from passage

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within approves this the 6th day of March, 1965.

Governor