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WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1965



ENROLLED

HOUSE BILL No. 612

(By Mr. Marsteller and
Mr. Pondexter)



PASSED February 26, 1965

In Effect Ninety days from Passage



FILED IN THE OFFICE OF
JOE F. BURBETT
SECRETARY OF STATE
THIS DATE 3-8-65

612

ENROLLED

House Bill No. 612

(By MR. MARSTILLER and MR. POINDEXTER)

[Passed February 26, 1965; in effect ninety days from passage.]

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:

Article 4. General Provisions.

Section 17. Prohibited Interests of Officers and Direc-

2 **tors in Certain Transactions.**—(a) No director or officer
3 of an insurer shall accept, except for and on behalf of
4 the insurer, or be the beneficiary of any fee, commission,
5 brokerage, gift or other emolument or thing of value in
6 addition to his fixed salary or compensation, because of
7 any investment, loan, deposit, purchase, sale, exchange,
8 or other similar transaction made by or for the insurer,
9 or be pecuniarily interested in any capacity except on
10 behalf of the insurer.

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

13 (c) This section shall not prohibit such a director or
14 officer from becoming a policyholder of the insurer and
15 enjoying thereunder the rights customarily provided
16 therein for holders of such policies, nor shall this section
17 prohibit a director or officer of an insurer from serving
18 as an agent or general agent of such insurer and receiv-
19 ing regular established agency commissions therefor:
20 *Provided*, That the contract between the insurer and its
21 officer and/or director has been approved by the board of
22 directors of the insurer and a true copy thereof, certified

23 to by the secretary of the board of directors of such in-
24 surer, has been filed with the commissioner of insurance;
25 nor shall this section prohibit such a director or officer
26 of an insurer from receiving his share of the commission
27 earnings of a stock exchange firm of which he is a part-
28 ner, or a percentage of underwriting profits under a man-
29 agement contract: *Provided*, That such contract is sub-
30 ject to review and termination by the board of directors,
31 nor shall this section prohibit the payment to a director
32 or officer of a fee for legal services actually rendered to
33 any such insurer provided such compensation is not in
34 excess of the amounts customarily charged for the same
35 type of service.

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

O Roy Cooper

Chairman Senate Committee

James W. Loop

Chairman House Committee

Originated in the House.

Takes effect ~~from passage.~~ *Thirty days from passage*

Abraham Meyer

Clerk of the Senate

A Blankenship

Clerk of the House of Delegates

Hawaii Wilson

President of the Senate

H. Laban White

Speaker House of Delegates

The within *approved* this the *6*
day of *March*, 1965.

Sheila Smith

Governor

