WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1967

ENROLLED

HOUSE BILL No. 38

(By Mr. Hill)

PASSED February 21, 1967

In Effect Sixty days from Passage

FILED IN THE OFFICE
ROBERT O. CABELL
SECRETARY OF STATE
THIS DATE 3-8-67
AN ACT to amend and reenact section twenty-two, article five, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the impairment of capital or assets of domestic insurers.

Be it enacted by the Legislature of West Virginia:

That section twenty-two, article five, 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 5. ORGANIZATION AND PROCEDURES OF DOMESTIC AND MUTUAL INSURERS.

§33-5-22. Impairment of capital or assets.

1 (a) If the capital stock of a domestic stock insurer
becomes impaired, or the assets of a domestic mutual insurer are less than its liabilities and the minimum amount of surplus required of it by this chapter for authority to transact the kinds of insurance being transacted, the commissioner shall at once determine the amount of the deficiency and serve notice upon the insurer to make good the deficiency within ninety days after service of such notice.

(b) The deficiency may be made good in cash or in assets eligible under this chapter for the investment of the insurer's funds; or if a stock insurer by reduction of the insurer's capital to an amount not below the minimum required for the kinds of insurance thereafter to be transacted; or if a mutual insurer, by amendment of its license to cover only such kind or kinds of insurance for which the insurer has on deposit sufficient surplus.

(c) If the deficiency is not made good and proof thereof filed with the commissioner within such ninety-day period, the insurer shall be deemed insolvent and the commissioner shall institute delinquency proceedings against it as authorized by this chapter. If such deficiency
exists because of increased loss reserves required by the
commissioner, or because of disallowance by the com-
missioner of certain assets or reduction of the value at
which carried in the insurer's accounts, the commis-
sioner may in his discretion and upon application and
good cause shown, extend for not more than an addi-
tional one hundred eighty days the period within which
such deficiency may be so made good and such proof
thereof so filed.
(d) The ninety-day notice required in subdivision (a)
of this section shall only affect the grounds for rehabili-
tation of domestic insurers and grounds for liquidation
as set forth in subdivision (c), section five, article ten
of this chapter, and shall not affect the rights and duties
of the commissioner to take action under any other
grounds for rehabilitation of domestic insurers or grounds
for liquidation as set forth in article ten of this chapter.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

William Tompou
Chairman Senate Committee

Clayton C. Davidson
Chairman House Committee

Originated in the House.

Takes effect ninety days from passage.

F. Marion Pepper
Clerk of the Senate

C. A. Blankenship
Clerk of the House of Delegates

Howard E. Carrow
President of the Senate

W. Caban White
Speaker House of Delegates

The within approved this the 8th day of March, 1967.

Herbert C. Smith
Governor
PRESENTED TO THE GOVERNOR

Date 3-3-67
Time 1:20 p.m.