AN ACT to amend and reenact section twenty-four, article twelve, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the payment of commissions on insurance; payment of commissions to partnerships or corporations.

Be it enacted by the Legislature of West Virginia:

That section twenty-four, article twelve, 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 12. AGENTS, BROKERS, SOLICITORS AND EXCESS LINE.

§33-12-24. Payment of commissions.

(a) The entire commission payable by any insurer licensed to transact insurance in this state on any insurance policy shall be paid directly to the licensed resident agent who countersigns the policy. The countersigning agent shall not pay any part of such commission to any person other than a licensed agent or broker: Provided, That the portion of such commission retained by the countersigning resident agent shall not be less than ten percent of the gross policy premium or fifty percent of the commission payable by the insurer as provided herein, whichever is the lesser amount. The term “commission” as used herein shall include engineering fees, service fees or any other compensation incident to the
issuance of a policy payable by or to any insurer, agent or broker.

(b) It shall be unlawful for any insurer or agent to pay, and any person to accept, directly or indirectly, any commission except as provided in this section: Provided, That any licensed resident agent may pay his commissions, or direct that his commissions be paid, to a partnership of which he is a member, employee or agent, or to a corporation of which he is an officer, employee or agent, if:

(1) The commissioner finds that such partnership or corporation is engaged, through its licensed resident agents, in conducting an insurance agency business with respect to the general public.

(2) If a partnership, each partner satisfies the commissioner that he meets the licensing qualifications as set forth in section two of this article.

(3) If a corporation, each officer, employee or any one or more stockholders owning, directly or indirectly, the controlling interest in such corporation satisfies the commissioner that he meets the licensing qualifications as set forth in section two of this article. The requirements set forth in this subsection (b) (3) shall not apply to clerical employees, or other employees not directly engaged in the selling or servicing of insurance.

(c) This section shall not apply to reinsurance, life insurance or accident or health insurance; nor to excess line insurance procured in accordance with the provisions of this article relating thereto; nor to credit insurance, any contract of insurance covering the rolling stock of any railroad or covering any vessel, aircraft or motor carrier used in interstate or foreign commerce, any liability or other risks incident to the ownership, maintenance or operation thereof, any contract of insurance covering any property in interstate or foreign commerce, or any liability or risks incident thereto.
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.
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 __________________________ day of __________________________, 1974.

[Signature]
Governor
PRESENTED TO THE
GOVERNOR

Date 3/8/74
Time 11:47 a.m.