

WEST VIRGINIA LEGISLATURE  
REGULAR SESSION, 1974



ENROLLED

HOUSE BILL No. 697

(By Mr. Coates, Mr. Mann and Mr. Seibert)



PASSED March 2, 1974

In Effect From Passage



FILED IN THE OFFICE  
EDGAR F. MITCHELL III  
SECRETARY OF STATE  
THIS DATE 3-18-74

697

**ENROLLED**

**H. B. 697**

(By MR. SPEAKER, MR. MCMANUS, and MR. SEIBERT)

[Passed March 2, 1974; in effect from passage.]

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.**

1 (a) The entire commission payable by any insurer licensed  
2 to transact insurance in this state on any insurance policy  
3 shall be paid directly to the licensed resident agent who  
4 countersigns the policy. The countersigning agent shall not  
5 pay any part of such commission to any person other than  
6 a licensed agent or broker: *Provided*, That the portion of such  
7 commission retained by the countersigning resident agent  
8 shall not be less than ten percent of the gross policy premium  
9 or fifty percent of the commission payable by the insurer as  
10 provided herein, whichever is the lesser amount. The term  
11 "commission" as used herein shall include engineering fees,  
12 service fees or any other compensation incident to the

13 issuance of a policy payable by or to any insurer, agent or  
14 broker.

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

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

26 (2) If a partnership, each partner satisfies the commis-  
27 sioner that he meets the licensing qualifications as set forth in  
28 section two of this article.

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

37 (c) This section shall not apply to reinsurance, life in-  
38 surance or accident or health insurance; nor to excess  
39 line insurance procured in accordance with the provisions  
40 of this article relating thereto; nor to credit insurance,  
41 any contract of insurance covering the rolling stock of  
42 any railroad or covering any vessel, aircraft or motor  
43 carrier used in interstate or foreign commerce, any liability  
44 or other risks incident to the ownership, maintenance  
45 or operation thereof, any contract of insurance covering any  
46 property in interstate or foreign commerce, or any liability  
47 or risks incident thereto.

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

H. Derek Derby  
Chairman Senate Committee

James C. Thurston  
Chairman House Committee

Originated in the House.

Takes effect from passage.

Howard Ulsow  
Clerk of the Senate

W. Blankenship  
Clerk of the House of Delegates

W. T. Brotherton, Jr.  
President of the Senate

Lewis N. McManus  
Speaker House of Delegates

The within approved this the 18th  
day of March, 1974.

Arch A. Shaw, Jr.  
Governor

PRESENTED TO THE  
GOVERNOR

Date 3/8/74

Time 11:47 a.m.