

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1977



## ENROLLED

SENATE BILL NO. 592

(By Mr. Brotherton, Mr. President)



PASSED April 4 1977

In Effect ninty days from Passage



110. 118

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[Passed April 4, 1977; in effect ninety days from passage.]

AN ACT to amend and reenact section two, article twenty-two, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended; and to amend and reenact section five, article twenty-six of said chapter, all relating to providing that farmers' mutual fire insurance companies be governed by the West Virginia Insurance Guaranty Association Act.

*Be it enacted by the Legislature of West Virginia:*

That section two, article twenty-two, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted; and that section five, article twenty-six of said chapter be amended and reenacted, all to read as follows:

#### **ARTICLE 22. FARMERS' MUTUAL FIRE INSURANCE COMPANIES.**

##### **§33-22-2. Other provisions of chapter applicable.**

1 Each such company to the same extent such provisions  
2 are applicable to domestic mutual insurers shall be gov-  
3 erned by and be subject to the following articles of this  
4 chapter: Article one (definitions), article two (insurance  
5 commissioner), article four (general provisions) except  
6 that section sixteen of article four shall not be applicable  
7 thereto, article ten (rehabilitation and liquidation) except  
8 that under the provisions of section thirty-two of said  
9 article ten no assessment shall be levied against any  
10 former member of a farmers' mutual fire insurance com-  
11 pany who was no longer a member of such company at  
12 the time the order to show cause was issued, article

13 eleven (unfair practices and frauds), and article twelve  
14 (agents, brokers and solicitors) except that the agents'  
15 license fee shall be one dollar and article twenty-six  
16 (West Virginia Insurance Guaranty Association Act);  
17 but only to the extent such provisions are not incon-  
18 sistent with the provisions of this article.

**ARTICLE 26. WEST VIRGINIA INSURANCE GUARANTY ASSO-  
CIATION ACT.**

**§33-26-5. Definitions.**

1 As used in this article:

2 (1) "Account" means any one of the two accounts  
3 created by section six of this article.

4 (2) "Association" means the West Virginia insurance  
5 guaranty association created under section six of this  
6 article.

7 (3) "Commissioner" means the insurance commis-  
8 sioner of West Virginia.

9 (4) "Covered claim" means an unpaid claim, includ-  
10 ing one for unearned premiums, which arises out of and  
11 is within the coverage of an insurance policy to which  
12 this article applies and which policy is in force at the  
13 time of the occurrence giving rise to such unpaid claims  
14 if (a) the insurer issuing the policy becomes an insolvent  
15 insurer after the effective date of this article and (b)  
16 the claimant or insured is a resident of this state at the  
17 time of the insured occurrence, or the property from  
18 which the claim arises is permanently located in this  
19 state. "Covered claim" shall not include (i) any amount  
20 in excess of the applicable limits of coverage provided  
21 by an insurance policy to which this article applies; nor  
22 (ii) any amount due any reinsurer, insurer, insurance  
23 pool, or underwriting association, as subrogation re-  
24 coveries or otherwise.

25 (5) "Insolvent insurer" means an insurer (a) autho-  
26 rized to transact insurance in this state either at the time  
27 the policy was issued or when the insured event occurred  
28 and (b) determined to be insolvent by a court of com-  
29 petent jurisdiction.

30 (6) "Member insurer" means any person who (a)  
31 writes any kind of insurance to which this article applies  
32 under section three of this article, including farmers'  
33 mutual fire insurance companies and the exchange of  
34 reciprocal or interinsurance contracts, and (b) is licensed  
35 to transact insurance in this state.

36 (7) "Net direct written premiums" means direct gross  
37 premiums written in this state on insurance policies to  
38 which this article applies, less return premiums thereon  
39 and dividends paid or credited to policyholders on such  
40 direct business. "Net direct written premiums" does  
41 not include premiums on contracts between insurers or  
42 reinsurers.

43 (8) "Person" includes an individual, company, in-  
44 surer, association, organization, society, reciprocal, part-  
45 nership, syndicate, business trust, corporation, or any  
46 other legal entity.

47 (9) "Receiver" means receiver, liquidator, rehabili-  
48 tator, or conservator as the context may require.

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

James L. Davis  
Chairman Senate Committee

Dorcas L. Christensen  
Chairman House Committee

Originated in the Senate.

To take effect ninety days from passage.

John Willoughby  
Clerk of the Senate

CA Blankenship  
Clerk of the House of Delegates

W. T. Butterfield Jr.  
President of the Senate

Donald L. Kopp  
Speaker House of Delegates

The within is approved this the 12  
day of April, 1977.

John D. Rhymer  
Governor

APPROVED AND SIGNED BY THE GOVERNOR

RECEIVED  
APR 7 5 04 PM '77  
OFFICE OF THE GOVERNOR

Date April 12, 1977  
Time 5:45 p.m.

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OFFICE  
SECY. OF STATE