WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1980

ENROLLED
SENATE BILL NO. 521

(By Mr. Rogers)

PASSED March 5, 1980

In Effect from Passage
ENROLLED

Senate Bill No. 521
(By Mr. Rogers)

[Passed March 8, 1980; in effect 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.
§33-4-17. Prohibited interests of officers and directors in certain transactions.
1 (a) No director or officer or an insurer shall accept, except for and on behalf of the insurer, or be the beneficiary of any fee, commission, brokerage, gift or other emolument or thing of value in addition to his fixed salary or compensation, because of any investment, loan, deposit, purchase, sale, exchange, or other similar transaction made by or for the insurer, or be pecuniarily interested in any capacity except on behalf of the insurer.
2 (b) No insurer shall guarantee the financial obligation of any of its officers or directors.
3 (c) This section shall not prohibit such a director or officer from becoming a policyholder of the insurer and enjoying thereunder the rights customarily provided therein for holders of such policies, nor shall this section
prohibit a director or officer of an insurer from serving as
an agent or general agent of such insurer and receiving
regular established agency commissions therefor: Pro-
vided, That the contract between the insurer and its
officer and/or director has been approved by the board
of directors of the insurer and a true copy thereof, cer-
tified to by the secretary of the board of directors of such
insurer, has been filed with the commissioner of insurance;
nor shall this section prohibit such a director or officer
of an insurer from receiving his share of the commission
earnings of a stock exchange firm of which he is a partner,
or a percentage of underwriting profits under a manage-
ment contract: Provided, however, That such contract is
subject to review and termination by the board of direc-
tors, nor shall this section prohibit the payment to a direc-
tor or officer of a fee for legal services actually rendered to
any such insurer provided such compensation is not in ex-
cess of the amounts customarily charged for the same type
of service; nor shall this section prohibit an officer, in con-
nection with the relocation by the insurer of the place of
employment of such officer, including any relocation in
connection with the initial employment of such officer,
from (i) accepting a mortgage loan made by the insurer on
real property owned by such officer which is to serve as
such officer's residence or (ii) selling to the insurer, at not
more than the fair market value thereof, the residence of
such officer.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

James P. Davis  
Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

To take effect from passage.

Judd C. Wells  
Clerk of the Senate

A. Blankenship  
Clerk of the House of Delegates

A. T. Bellinger  
President of the Senate

Speaker House of Delegates

The within _approved_ this the 21

day of _March_ 1980.

Governor