

APPROVED AND SIGNED BY THE GOVERNOR

Date 3-21-80

Time 9:20 A.M.

WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1980



ENROLLED

SENATE BILL NO. 521

(By Mr. Rogers)



PASSED March 8 1980

In Effect From Passage



710: 521

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,
2 except for and on behalf of the insurer, or be the bene-
3 ficiary of any fee, commission, brokerage, gift or other
4 emolument or thing of value in addition to his fixed
5 salary or compensation, because of any investment, loan,
6 deposit, purchase, sale, exchange, or other similar trans-
7 action made by or for the insurer, or be pecuniarily inter-
8 ested in any capacity except on behalf of the insurer.
- 9 (b) No insurer shall guarantee the financial obligation
10 of any of its officers or directors.
- 11 (c) This section shall not prohibit such a director or
12 officer from becoming a policyholder of the insurer and
13 enjoying thereunder the rights customarily provided
14 therein for holders of such policies, nor shall this section

15 prohibit a director or officer of an insurer from serving as
16 an agent or general agent of such insurer and receiving
17 regular established agency commissions therefor: *Pro-*
18 *vided*, That the contract between the insurer and its
19 officer and/or director has been approved by the board
20 of directors of the insurer and a true copy thereof, cer-
21 tified to by the secretary of the board of directors of such
22 insurer, has been filed with the commissioner of insurance;
23 nor shall this section prohibit such a director or officer
24 of an insurer from receiving his share of the commission
25 earnings of a stock exchange firm of which he is a partner,
26 or a percentage of underwriting profits under a manage-
27 ment contract: *Provided, however*, That such contract is
28 subject to review and termination by the board of direc-
29 tors, nor shall this section prohibit the payment to a direc-
30 tor or officer of a fee for legal services actually rendered to
31 any such insurer provided such compensation is not in ex-
32 cess of the amounts customarily charged for the same type
33 of service; nor shall this section prohibit an officer, in con-
34 nection with the relocation by the insurer of the place of
35 employment of such officer, including any relocation in
36 connection with the initial employment of such officer,
37 from (i) accepting a mortgage loan made by the insurer on
38 real property owned by such officer which is to serve as
39 such officer's residence or (ii) selling to the insurer, at not
40 more than the fair market value thereof, the residence of
41 such officer.

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

James L. Davis
Chairman Senate Committee

Charles C. Chestnut Jr.
Chairman House Committee

Originated in the Senate.

To take effect from passage.

Todd C. Mills
Clerk of the Senate

Cl. Blankenship
Clerk of the House of Delegates

H. T. Bullock
President of the Senate

Chas. H. Seay Jr.
Speaker House of Delegates

The within is approved this the 21
day of March 1980.

Paul D. Rogers
Governor



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