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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

SECOND REGULAR SESSION, 1992



ENROLLED

HOUSE BILL No. *H624*

(By Delegates *Fitzhugh and Williams*)



Passed *March 7,* 1992

In Effect *Ninety Days From* Passage

ENROLLED
H. B. 4624

(By DELEGATES RUTLEDGE AND WILLIAMS)

[Passed March 7, 1992; in effect ninety days from passage.]

AN ACT to amend and reenact section nine, article four, chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to fidelity bonds and insurance for state-chartered banking institutions.

Be it enacted by the Legislature of West Virginia:

That section nine, article four, chapter thirty-one-a of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

**ARTICLE 4. BANKING INSTITUTIONS AND SERVICES
GENERALLY.**

§31A-4-9. Fidelity bonds and insurance.

1 (a) The directors of a state bank shall direct and
2 require good and sufficient fidelity bonds on all active
3 officers and employees, whether or not they draw salary
4 or compensation, which bonds shall provide for indem-
5 nity to such bank on account of any losses sustained by
6 it as the result of any dishonest, fraudulent or criminal
7 act or omission committed or omitted by them acting
8 independently or in collusion or combination with any
9 person or persons. Such bonds may be in individual,
10 schedule or blanket form, and the premiums therefor
11 shall be paid by the bank.

12 (b) The directors shall also direct and require suitable
13 insurance protection to the bank against burglary,

14 robbery, theft and other similar insurable hazards to
15 which the bank may be exposed in the operations of its
16 business on the premises or elsewhere.

17 (c) The directors shall be responsible for prescribing
18 at least once in each year the amount or penal sum of
19 such bonds or policies and the sureties or underwriters
20 thereon, after giving due and careful consideration to all
21 known elements and factors constituting such risk or
22 hazard. Such action shall be recorded in the minutes of
23 the board of directors.

24 (d) A state bank which is a subsidiary of a bank
25 holding company as defined in section three, article
26 eight-a of this chapter may fulfill the requirements of
27 subsections (a) and (b) above if such fidelity bonds and
28 insurance protection are obtained on its behalf by the
29 bank holding company: *Provided*, That the evidence of
30 the existence of such bonds and insurance protection for
31 the state bank must be maintained at the main office
32 of the state bank and the directors of the state bank shall
33 be responsible for reviewing the adequacy of such bonds
34 and insurance protection annually and for recording
35 such review in the minutes of the board.

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

Tomer Leck

Chairman Senate Committee

Ernest C Moore

Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

David P. Helms
Clerk of the Senate

Donald G. Kopp

Clerk of the House of Delegates

Kurt Prudette
President of the Senate

Bob Cline

Speaker of the House of Delegates

The within *is approved* this the *30th* day of *March*, 1992.

Yaston Caperton
Governor

PRESENTED TO THE

GOVERNOR

Date 3/25/90

Time 12:04 pm