WEST VIRGINIA LEGISLATURE

FIRST REGULAR SESSION, 1993

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ENROLLED

HOUSE BILL No. 2728

(By Delegates Phillippe, Michael Donaghy, Staton, Carper, Harrison and Douglas)

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Passed ........................................... April 6, 1993

In Effect ................................. Passage

July 1, 1993
ENROLLED

H. B. 2728

(By Delegates Phillips, Michael, Dempsey, Staton, Carper, Harrison and Douglas)

[Passed April 8, 1993; in effect July 1, 1993.]

AN ACT to amend article six, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section, designated section thirty-one-c, relating to substandard risk motor vehicle insurance policies; definitions; required notices and provisions; the promulgation of rules by the insurance commissioner; and effective date.

Be it enacted by the Legislature of West Virginia:

That article six, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new section, designated section thirty-one-c, to read as follows:

ARTICLE 6. THE INSURANCE POLICY.

§33-6-31c. Substandard risk motor vehicle insurance policies; definitions; required notices and provisions; promulgation of rules; effective date.

(a) For purposes of this section, the following definitions shall apply:

(1) A "substandard risk" means an applicant for insurance who presents a greater exposure to loss than that contemplated by commonly used rate classifications, as evidenced by one or more of the following conditions:
(A) Record of traffic accidents;
(B) Record of traffic law violations;
(C) Undesirable occupational circumstances;
(D) Undesirable moral characteristics.

(2) "Substandard risk rate" means a rate or premium charge that reflects the greater than normal exposure to loss which is assumed by an insurer writing insurance for a substandard risk.

(b) Every application for a motor vehicle insurance policy to be issued in this state and written on the basis of a substandard risk rate schedule shall have printed thereon, in bold-faced type in a contrasting color, a statement reading substantially as follows: THE POLICY FOR WHICH YOU ARE APPLYING HAS BEEN RATED IN ACCORDANCE WITH A SPECIAL RATING SCHEDULE FILED WITH THE COMMISSIONER OF INSURANCE PROVIDING FOR HIGHER PREMIUM CHARGES THAN THOSE GENERALLY APPLICABLE FOR AVERAGE RISKS. IF THE COVERAGE OR PREMIUM IS NOT SATISFACTORY, YOU MAY BE ELIGIBLE FOR OTHER INSURANCE.

c) Every motor vehicle insurance policy issued in this state and written on the basis of a substandard risk rate schedule shall have printed thereon, in bold-faced type in a contrasting color, a statement reading substantially as follows: THIS POLICY HAS BEEN RATED IN ACCORDANCE WITH A SPECIAL RATING SCHEDULE FILED WITH THE COMMISSIONER OF INSURANCE PROVIDING FOR HIGHER PREMIUM CHARGES THAN THOSE GENERALLY APPLICABLE FOR AVERAGE RISKS. IF THE COVERAGE OR PREMIUM IS NOT SATISFACTORY, YOU MAY BE ELIGIBLE FOR OTHER INSURANCE.

(d) On or before the first day of July, one thousand nine hundred ninety-three, all insurers licensed or registered in this state to market or sell substandard risk motor vehicle insurance policies shall submit all applications and policies for substandard risk insurance
to the commissioner of insurance for approval prior to being used by the insurer.

(e) The commissioner shall promulgate rules in accordance with the provisions of chapter twenty-nine-a of this code regarding the format, style, design and approval of substandard risk insurance applications and policies and such other procedures as may be required by this section.

(f) The effective date of this section shall be the first day of July, one thousand nine hundred ninety-three.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Ernest C. Moore
Chairman House Committee

Originating in the House.

Takes effect July 1, 1993.

Clerk of the Senate

Chief of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within is approved, this the 26th day of April, 1993.

Governor
PRESENTED TO THE
GOVERNOR
Date 4/20/43
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