WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1995

ENROLLED

HOUSE BILL No. 2264

(By Delegates Gallagher, Camm, Duncan, Hall, Hunt, One Shaw & Thompson)

Passed March 3, 1995

In Effect July 1, 1995
ENROLLED

H. B. 2264

(By Delegates Gallagher, Cann, Greear, Hall, Hunt, McGraw and Thompson)

[Passed March 2, 1995; in effect July 1, 1995.]

AN ACT to amend and reenact section thirty-one-c, article six, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to substandard risk motor vehicle insurance policies; requiring contrasting color or reverse print notices on applications and policies; advising policyholders of future eligibility for standard or preferred policies; and requiring notice to such policyholders of potential eligibility for standard or preferred coverage for driving without additional traffic violations or accidents over a three-year period while being continuously insured.

Be it enacted by the Legislature of West Virginia:

That section thirty-one-c, article six, 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 6. THE INSURANCE POLICY.

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

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

3 (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) Any other valid underwriting consideration.

(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 or in reverse print, 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. IF THIS COVERAGE OR PREMIUM IS SATISFACTORY, YOU MAY BE ELIGIBLE FOR COVERAGE UNDER A STANDARD OR PREFERRED POLICY IF DURING THE NEXT THREE YEARS YOU HAVE NO TRAFFIC VIOLATIONS OR ACCIDENTS AND YOU MAINTAIN CONTINUOUS INSURANCE COVERAGE.

(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 or in reverse print, 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. IF THIS COVERAGE OR PREMIUM IS SATISFACTORY, YOU MAY BE ELIGIBLE FOR COVERAGE UNDER A STANDARD OR PREFERRED POLICY IF DURING THE NEXT THREE YEARS YOU HAVE NO TRAFFIC VIOLATIONS OR ACCIDENTS AND YOU MAINTAIN CONTINUOUS INSURANCE COVERAGE.

(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) On or after the first day of July, one thousand nine hundred ninety-five, all insurers selling or which have in force substandard risk motor vehicle insurance policies shall provide a one time notice in writing to such policyholders who have maintained continuous insurance coverage for three years, have not been convicted of any moving traffic violations and had no at fault accidents, that they may be eligible for coverage under a standard or preferred policy.

(f) 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, notices and policies and such other procedures as may be required by this section.

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

Chairman Senate Committee

Originating in the House.

Takes effect July 1, 1995

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within is approved this the 11th day of March, 1995.

Governor