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WEST VIRGINIA LEGISLATURE

Regular Session, 2003

ENROLLED

SENATE BILL NO. 488

(By Senator Minard, et al)

PASSED March 8, 2003

In Effect 90 days from Passage

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OFFICE OF THE CLERK
SENATE OF WEST VIRGINIA

ENROLLED

Senate Bill No. 488

(BY SENATORS MINARD, JENKINS, MINEAR, SHARPE AND ROSS)

[Passed March 8, 2003; in effect ninety days from passage.]

AN ACT to amend and reenact sections ten and twelve, article twenty-two, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, all relating to the contingent liability of members of farmers' mutual fire insurance companies; and limiting the amount of risk such companies may undertake.

Be it enacted by the Legislature of West Virginia:

That sections ten and twelve, article twenty-two, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted, all to read as follows:

ARTICLE 22. FARMERS' MUTUAL FIRE INSURANCE COMPANIES.

§33-22-10. Contingent liability of member.

- 1 The contingent liability of a member of such company
- 2 may, with the approval of the commissioner, be limited to

3 one or more times the annual premium as computed for the
4 policy and the company may issue a policy without
5 contingent liability to the member if at the time of issu-
6 ance the net premium written to surplus as to policyhold-
7 ers does not exceed four to one and the company maintains
8 unearned premium and other reserves on the same basis as
9 that required of domestic insurers transacting like kinds of
10 insurance. In the absence of such limitation of contingent
11 liability each member shall be liable for his or her pro rata
12 share of losses and expenses of the company, including a
13 reasonable contribution to a surplus fund.

§33-22-12. Limit of risk.

1 No such company shall insure any single risk comprising
2 a building and contents or other property so located as to
3 be subject to destruction by a single fire for a greater
4 amount than one thousand dollars until its insurance in
5 force shall be as much as five hundred thousand dollars,
6 nor shall it then insure any such risks for an amount
7 greater than one fifth of one percent of the net insurance
8 in force under its policies or ten percent of its surplus,
9 whichever is greater, unless the risks insured by the
10 company in excess of the amounts above stipulated are
11 simultaneously covered by reinsurance.

12 Any company having received an extension of its license
13 to permit it to issue policies of insurance pursuant to
14 subsection (c), section eight of this article shall be subject
15 to the provisions of section sixteen, article four of this
16 chapter.

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

Craig W. Linn

.....
Chairman Senate Committee

Greg Butcher

.....
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

David G. Adams

.....
Clerk of the Senate

Bryce A. Boy

.....
Clerk of the House of Delegates

Carl Roy Tomblin

.....
President of the Senate

Robert B. Biss

.....
Speaker House of Delegates

The within *is approved* this the *15th*
Day of *April*, 2003.
Bob Wise

.....
Governor

PRESENTED TO THE
GOVERNOR

Date 3-20-03

Time 9:50 AM