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SB 468

FILED

2006 APR -3 P 3:30

WEST VIRGINIA LEGISLATURE
Regular Session, 2006
WEST VIRGINIA
CLERK OF STATE

ENROLLED

Committee Substitute for
SENATE BILL NO. 468

(By Senator Jenkins)

PASSED March 11, 2006

In Effect 90 days from Passage

FILED

2006 APR -3 P 3: 30

COMMISSIONER OF WEST VIRGINIA
SECRETARY OF STATE

ENROLLED

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 468

(SENATOR JENKINS, *original sponsor*)

[Passed March 11, 2006; in effect ninety days from passage.]

AN ACT to amend and reenact §33-16-2 of the Code of West Virginia, 1931, as amended, relating to group accident and sickness insurance requirements; decreasing the number of employees that must participate; and eliminating the participation requirement if the premium is paid by the employees or jointly by the employer and employees.

Be it enacted by the Legislature of West Virginia:

That §33-16-2 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 16. GROUP ACCIDENT AND SICKNESS INSURANCE.

§33-16-2. Eligible groups.

- 1 Any insurer licensed to transact accident and sickness
- 2 insurance in this state may issue group accident and

3 sickness policies coming within any of the following
4 classifications:

5 (1) A policy issued to an employer, who shall be consid-
6 ered the policyholder, insuring at least two employees of
7 the employer, for the benefit of persons other than the
8 employer, and conforming to the following requirements:

9 (A) If the premium is paid by the employer the group
10 shall comprise all employees or all of any class or classes
11 thereof determined by conditions pertaining to the em-
12 ployment;

13 (B) If the premium is paid by the employer and the
14 employees jointly, or by the employees, there shall be no
15 employee participation requirement. The term "em-
16 ployee" as used herein is considered to include the officers,
17 managers and employees of the employer, the partners, if
18 the employer is a partnership, the officers, managers and
19 employees of subsidiary or affiliated corporations of a
20 corporate employer, and the individual proprietors,
21 partners and employees of individuals and firms, the
22 business of which is controlled by the insured employer
23 through stock ownership, contract or otherwise. The term
24 "employer" as used herein may include any municipal or
25 governmental corporation, unit, agency or department and
26 the proper officers of any unincorporated municipality or
27 department, as well as private individuals, partnerships
28 and corporations.

29 (2) A policy issued to an association or to a trust or to the
30 trustees of a fund established, created or maintained for
31 the benefit of members of one or more associations. The
32 association or associations shall have at the issuance of the
33 policy a minimum of one hundred persons and have been
34 organized and maintained in good faith for purposes other
35 than that of obtaining insurance; shall have been in active
36 existence for at least one year; and shall have a constitu-
37 tion and bylaws that provide that: The association or
38 associations hold regular meetings not less than annually

39 to further the purposes of the members; except for credit
40 unions, the association or associations collect dues or
41 solicit contributions from members; and the members have
42 voting privileges and representation on the governing
43 board and committees. The policy is subject to the follow-
44 ing requirements:

45 (A) The policy may insure members of the association or
46 associations, employees thereof or employees of members
47 or one or more of the preceding or all of any class or
48 classes for the benefit of persons other than the employee's
49 employer.

50 (B) The premium for the policy shall be paid from:

51 (i) Funds contributed by the association or associations;

52 (ii) Funds contributed by covered employer members;

53 (iii) Funds contributed by both covered employer
54 members and the association or associations;

55 (iv) Funds contributed by the covered persons; or

56 (v) Funds contributed by both the covered persons and
57 the association, associations or employer members.

58 (C) Except as provided in paragraph (D) of this subdivi-
59 sion, a policy on which no part of the premium is to be
60 derived from funds contributed by the covered persons
61 specifically for their insurance must insure all eligible
62 persons, except those who reject coverage in writing.

63 (D) An insurer may exclude or limit the coverage on any
64 person as to whom evidence of individual insurability is
65 not satisfactory to the insurer.

66 (E) A small employer, as defined in subdivision (r),
67 section two, article sixteen-d of this chapter, insured under
68 an eligible group policy provided in this subdivision shall
69 also be subject to the marketing and rate practices provi-
70 sions in article sixteen-d of this chapter.

71 (3) A policy issued to a bona fide association;

72 (4) A policy issued to a college, school or other institu-
73 tion of learning or to the head or principal thereof, insur-
74 ing at least ten students, or students and employees, of the
75 institution;

76 (5) A policy issued to or in the name of any volunteer fire
77 department, insuring all of the members of the department
78 or all of any class or classes thereof against any one or
79 more of the hazards to which they are exposed by reason
80 of the membership but in each case not less than ten
81 members;

82 (6) A policy issued to any person or organization to
83 which a policy of group life insurance may be issued or
84 delivered in this state, to insure any class or classes of
85 individuals that could be insured under the group life
86 policy; and

87 (7) A policy issued to cover any other substantially
88 similar group which in the discretion of the commissioner
89 may be subject to the issuance of a group accident and
90 sickness policy or contract.

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

Clayton White
.....
Chairman Senate Committee

Bill
.....
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Darrell Robinson
.....
Clerk of the Senate

Suzanne B.
.....
Clerk of the House of Delegates

Carl Roy Tomblin
.....
President of the Senate

Robert
.....
Speaker House of Delegates

The within *is approved* this the *3rd*
Day of *April*, 2006.

Paul Patton
.....
Governor

PRESENTED TO THE
GOVERNOR

APR 03 2006

Time

8:03 p