WEST VIRGINIA LEGISLATURE

Regular Session, 2004

ENROLLED

SENATE BILL NO. 619

(By Senators Minard and Jenkins)

PASSED March 7, 2006

In Effect 90 days from Passage
AN ACT to amend and reenact §33-20F-5 of the Code of West Virginia, 1931, as amended, relating to the governance and organization of the West Virginia Physicians' Mutual Insurance Company; and removing a restriction limiting service on the board of directors of the company to two consecutive terms.

Be it enacted by the Legislature of West Virginia:

That §33-20F-5 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 20F. PHYSICIANS' MUTUAL INSURANCE COMPANY.

§33-20F-5. Governance and organization.

1 (a) (1) The Board of Risk and Insurance Management shall implement the initial formation and organization of the company as provided by this article.
(2) From the first day of July, two thousand three, until the thirtieth day of June, two thousand four, the company shall be governed by a provisional board of directors consisting of the members of the Board of Risk and Insurance Management, the Dean of the West Virginia University School of Medicine or a physician representative designated by him or her and five physician directors elected by the policyholders whose policies are to be transferred to the company pursuant to section nine of this article.

(3) Only physicians who are licensed to practice medicine in this state pursuant to article three or fourteen, chapter thirty of this code and who have purchased medical professional liability coverage from the Board of Risk and Insurance Management are eligible to serve as physician directors on the provisional board of directors. One of the physician directors shall be selected from a list of three physicians nominated by the West Virginia Medical Association. The Board of Risk and Insurance Management shall develop procedures for the nomination of the remaining physician directors and for the conduct of the election, to be held no later than the first day of June, two thousand three, of all of the physician directors, including, but not limited to, giving notice of the election to the policyholders. These procedures shall be exempt from the provisions of article three, chapter twenty-nine-a of this code.

(b) From the first day of July, two thousand four, the company shall be governed by a board of directors consisting of eleven directors, as follows:

(1) Five directors who are physicians licensed to practice medicine in this state by the Board of Medicine or the Board of Osteopathy, including at least one general practitioner and one specialist: Provided, That only physicians who have purchased medical professional liability coverage from the Board of Risk and Insurance
Management are eligible to serve as physician representatives on the company's first board of directors;

(2) Three directors who have substantial experience as an officer or employee of a company in the insurance industry;

(3) Two directors with general knowledge and experience in business management who are officers and employees of the company and are responsible for the daily management of the company; and

(4) One director who is a dean of a West Virginia school of medicine or osteopathy or his or her designated physician representative. This director's position shall rotate annually among the Dean of the West Virginia University School of Medicine, the Dean of the Marshall University Joan C. Edwards School of Medicine and the Dean of the West Virginia School of Osteopathic Medicine. This director shall serve until such time as the moneys loaned to the company from the West Virginia Tobacco Settlement Medical Trust Fund have been replenished as provided in subsection (e), section four of this article. After the moneys have been replenished to the West Virginia Tobacco Settlement Medical Trust Fund, this director shall be a physician licensed to practice medicine in this state by the Board of Medicine or the Board of Osteopathy.

(c) In addition to the eleven directors required by subsection (b) of this section, the bylaws of the company may provide for the addition of at least two directors who represent an entity or institution which lends or otherwise provides funds to the company.

(d) The directors and officers of the company are to be chosen in accordance with the articles of incorporation and bylaws of the company. The initial board of directors selected in accordance with the provisions of subdivision (3), subsection (a) of this section shall serve for the follow-
ing terms: (1) Three for four-year terms; (2) three for three-year terms; (3) three for two-year terms; and (4) two for one-year terms. Thereafter, the directors shall serve staggered terms of four years. If an additional director is added to the board as provided in subsection (c) of this section, his or her initial term shall be for four years.

(e) The incorporators are to prepare and file articles of incorporation and bylaws in accordance with the provisions of this article and the provisions of this chapter and chapter thirty-one of this code.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within is approved this the 23rd Day of March, 2006.

Governor