

SB 754

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WEST VIRGINIA LEGISLATURE
Regular Session, 2006

ENROLLED

Committee Substitute for

SENATE BILL NO. 754

(By Senator Minard)

PASSED March 11, 2006

In Effect 90 days from Passage

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OFFICE WEST VIRGINIA
SECRETARY OF STATE

ENROLLED

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 754

(SENATOR MINARD, *original sponsor*)

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

AN ACT to amend and reenact §33-22-7 and §33-22-8 of the Code of West Virginia, 1931, as amended, all relating to farmers' mutual fire insurance companies; clarifying that certain requirements for the filing of fire and marine policies apply to farm mutual insurance companies; clarifying types of policies that all such companies may issue; describing types of policies of liability insurance for which an extension of a license must be obtained; permitting commissioner to limit duration of such license extensions; and establishing criteria by which farm mutual insurance companies must demonstrate that they serve underserved areas.

Be it enacted by the Legislature of West Virginia:

That §33-22-7 and §33-22-8 of the Code of West Virginia, 1931, as amended, be amended and reenacted, all to read as follows:

ARTICLE 22. FARMERS' MUTUAL FIRE INSURANCE COMPANIES.

§33-22-7. Filing and approval of policy; setting out terms and conditions; limiting liability; standard forms or provisions.

1 (a) No policy form shall be issued or used by any such
2 company unless such form has been filed with and ap-
3 proved by the commissioner. The filing, approval and
4 disapproval of such forms shall be governed by the provi-
5 sions of sections eight and nine, article six of this chapter
6 and section eight, article seventeen of this chapter in the
7 same manner as form filings of other insurers.

8 (b) All terms and conditions of such policies shall be set
9 forth in full in the policy or endorsements attached thereto
10 including the contingent liability, if any, of the policy-
11 holder and no provision purporting to make any portion of
12 the charter, bylaws or other documents a part of the policy
13 shall be valid unless such portion is set forth in full in the
14 policy.

15 (c) Policies may limit the liability of the company to a
16 fixed percent of the value of the property insured.

17 (d) Whenever the commissioner believes the public
18 interest requires a standard form for a particular kind of
19 coverage, the commissioner may prescribe a standard form
20 of policy for such companies, or a standard specific
21 provision to be inserted in such policies, and all policies
22 thereafter issued by such companies shall conform to such
23 standard forms or provisions.

§33-22-8. Kinds of coverage authorized.

1 (a) Any company subject to the provisions of this article
2 may issue the following types of policies of insurance:

3 (1) Fire insurance, which is insurance on real or personal
4 property of every kind and interest therein, against loss or
5 damage from any or all hazard or cause and against loss

6 consequential upon such loss or damage, other than
7 noncontractual liability for the loss or damage;

8 (2) Loss or damage by insects or disease to farm crops or
9 products and loss of rental value of land used in producing
10 those crops or products;

11 (3) Loss or damage to domestic farm animals by dogs or
12 wild animals;

13 (4) Loss or damage to property by burglary, theft,
14 larceny, robbery, vandalism, malicious mischief or wrong-
15 ful conversion, or any attempt at any of the foregoing;

16 (5) Personal property floater insurance, which is insur-
17 ance upon personal effects against loss or damage from
18 any cause; and

19 (6) Glass insurance, which is insurance against loss or
20 damage to glass, including its ornamentation and fittings.

21 (b) In addition to the policies of insurance permitted by
22 subsection (a) of this section, a company may apply to the
23 commissioner for an extension of its license and upon
24 complying with reasonable standards established by the
25 commissioner to assure the solvency of the company and
26 the protection of its policyholders, may, in the discretion
27 of the commissioner, be granted an extension of its license
28 upon such conditions and for such period as the commis-
29 sioner may prescribe to permit the company to issue
30 policies of insurance on risks insuring against one or more
31 of the following:

32 Legal liability for the death, injury or disability of any
33 human being, or for damage to property, excluding
34 liability resulting from the ownership, maintenance or use
35 of vehicles or aircraft; and provisions for medical, hospital,
36 surgical and disability benefits to injured persons and
37 funeral and death benefits to dependents, beneficiaries or
38 personal representatives of persons killed, irrespective of
39 legal liability of the insured, when issued as an incidental

40 coverage with or supplemental to the liability coverage.
41 For the purposes of this subsection, the term "vehicle"
42 does not include a "farm tractor", "implement of hus-
43 bandry", as defined in section one, article one, chapter
44 seventeen-a of this code; a "wheelchair", as defined in
45 section sixty-five, article one, chapter seventeen-c of this
46 code and any similar vehicle used by persons with disabili-
47 ties; a "golf cart" while used for golfing; or other motor-
48 ized vehicle used to service the premises.

49 (c) The commissioner may, for good cause shown or on
50 application of the company, limit the license of a company
51 to make insurance to any one or more of the perils or
52 coverages set forth in subsection (a) or (b) of this section.

53 (d) A farm mutual insurance company insuring property
54 located outside this state must meet the capital and
55 surplus requirements of section five-b, article three of this
56 chapter.

57 (e) On and after the first day of January, two thousand
58 seven, any company subject to the provisions of this article
59 must have a majority of its book of business, as determined
60 by either gross direct premiums or policy count, in
61 underserved areas of the insurance market in the State of
62 West Virginia. For purposes of this article, "underserved
63 areas of the insurance market in the State of West Vir-
64 ginia" means any of the following or any combination
65 thereof: Persons or property insured that have a public fire
66 protection classification of five or higher, or the equivalent
67 thereof, according to a rating organization licensed
68 pursuant to section six, article twenty of this chapter;
69 residential structures or dwellings insured on an actual
70 cash-value basis; residential structures or dwellings over
71 forty years of age; vacant or seasonally occupied residen-
72 tial structures or dwellings; property or persons who have
73 had insurance canceled or declined by any insurance
74 company licensed to do business in this state; and farm
75 property or structures. Upon determination, after notice
76 and hearing, that any farm mutual fire insurance company

77 has failed to comply with this subsection, the commis-
78 sioner may require the company to pay all taxes, addi-
79 tional taxes, surcharges and fees pursuant to article three
80 of this chapter, require conversion under section nineteen
81 of this article or revoke its license under section four of
82 this article, or any combination thereof.

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

.....*Randy White*.....
Chairman Senate Committee

.....*Bob*.....
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

.....*David*.....
Clerk of the Senate

.....*Bryce*.....
Clerk of the House of Delegates

.....*Carl*.....
President of the Senate

.....*John*.....
Speaker House of Delegates

The within *is approved* this the *4th*
Day of *April*, 2006.

.....*Paul*.....
Governor

PRESENTED TO THE
GOVERNOR

APR 03 2006

Time 2:03 pm