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
ENROLLED
COMMITTEE SUBSTITUTE
FOR
Senate Bill No. 754
(SENIOR 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.

(a) No policy form shall be issued or used by any such company unless such form has been filed with and approved by the commissioner. The filing, approval and disapproval of such forms shall be governed by the provisions of sections eight and nine, article six of this chapter and section eight, article seventeen of this chapter in the same manner as form filings of other insurers.

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

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

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


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

(1) Fire insurance, which is insurance on real or personal property of every kind and interest therein, against loss or damage from any or all hazard or cause and against loss
(2) Loss or damage by insects or disease to farm crops or products and loss of rental value of land used in producing those crops or products;

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

(4) Loss or damage to property by burglary, theft, larceny, robbery, vandalism, malicious mischief or wrongful conversion, or any attempt at any of the foregoing;

(5) Personal property floater insurance, which is insurance upon personal effects against loss or damage from any cause; and

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

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

Legal liability for the death, injury or disability of any human being, or for damage to property, excluding liability resulting from the ownership, maintenance or use of vehicles or aircraft; and provisions for medical, hospital, surgical and disability benefits to injured persons and funeral and death benefits to dependents, beneficiaries or personal representatives of persons killed, irrespective of legal liability of the insured, when issued as an incidental
coverage with or supplemental to the liability coverage. For the purposes of this subsection, the term "vehicle" does not include a "farm tractor", "implement of husbandry", as defined in section one, article one, chapter seventeen-a of this code; a "wheelchair", as defined in section sixty-five, article one, chapter seventeen-c of this code and any similar vehicle used by persons with disabilities; a "golf cart" while used for golfing; or other motorized vehicle used to service the premises.

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

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

(e) On and after the first day of January, two thousand seven, any company subject to the provisions of this article must have a majority of its book of business, as determined by either gross direct premiums or policy count, in underserved areas of the insurance market in the State of West Virginia. For purposes of this article, "underserved areas of the insurance market in the State of West Virginia" means any of the following or any combination thereof: Persons or property insured that have a public fire protection classification of five or higher, or the equivalent thereof, according to a rating organization licensed pursuant to section six, article twenty of this chapter; residential structures or dwellings insured on an actual cash-value basis; residential structures or dwellings over forty years of age; vacant or seasonally occupied residential structures or dwellings; property or persons who have had insurance canceled or declined by any insurance company licensed to do business in this state; and farm property or structures. Upon determination, after notice and hearing, that any farm mutual fire insurance company
has failed to comply with this subsection, the commis-
ioner may require the company to pay all taxes, addi-
tional taxes, surcharges and fees pursuant to article three
of this chapter, require conversion under section nineteen
of this article or revoke its license under section four of
this article, or any combination thereof.
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 4th Day of April, 2006.

Governor
PRESENTED TO THE GOVERNOR

APR 03 2006

Time 2:03 p.m.