House Bill No. 4359

(By Delegate Guthrie)
[By Request of the Insurance Commission]

Passed February 24, 2014

In effect ninety days from passage.
AN ACT to amend and reenact §33-37-2 of the Code of West Virginia, 1931, as amended, relating to licensure of managing general agents of insurers; removing unnecessary language; providing for retroactive renewal of lapsed licenses; establishing license application and renewal fees; extending period of some initial licenses; and clarifying that the appointment of the Secretary of State to receive process applies to administrative actions and actions involving license applications.

Be it enacted by the Legislature of West Virginia:

That §33-37-2 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:
ARTICLE 37. MANAGING GENERAL AGENTS.

§33-37-2. Licensure.

(a) No domestic, foreign or alien insurer may permit a person to act, and no person may act, in the capacity of a managing general agent for an insurer in this state unless the person is licensed in this state to act as a managing general agent.

(b) No person may act in the capacity of a managing general agent with respect to risks located in this state for an insurer licensed in this state unless the person is a licensed insurance producer in this state.

(c) The commissioner may license as a managing general agent any individual or business entity that has complied with the requirements of this article and any related rules. The commissioner may refuse to issue a license if he or she believes the applicant, any person named on the application, or any member, principal, officer or director of the applicant is not trustworthy or competent to act as a managing general agent, or that any of the foregoing persons has given cause for revocation or suspension of the license or has failed to comply with any prerequisite for issuance of the license.

(d) Any person seeking a license pursuant to this section shall apply for the license in a form prescribed by the commissioner and pay a nonrefundable application fee of $500. Each license issued pursuant to this section expires on June 30 following issuance, except that a license initially issued in May or June expires on June 30 of the following year. In order to renew a license, a licensed managing general agent shall submit to the commissioner at least one month prior to expiration a renewal application in a form prescribed by the commissioner and a renewal fee of $200: Provided, That a managing general agent that fails to timely renew a license may reinstate the license, retroactive to its expiration date, upon submission of the
renewal application form prior to June 1 following the expiration
date and payment of a renewal fee of $400. All fees shall be paid
into the State Treasury to the credit of the special revenue
account created in subsection (b), section thirteen, article three
of this chapter.

(e) The commissioner may require a bond in an amount
acceptable to him or her for the protection of the insurer.

(f) The commissioner may require a managing general agent
to maintain an errors and omissions policy that is acceptable to
the commissioner.

(g) The submission of an application for license pursuant to
this section constitutes an appointment by the applicant of the
Secretary of State as the agent for service of process on the
applicant in any action or proceeding, including administrative
actions instituted by the commissioner, arising in this state out
of or in connection with the application for or exercise of the
license. The appointment of the Secretary of State as agent for
service of process shall be irrevocable during the period within
which a cause of action against the applicant may arise out of
transactions with respect to subjects of insurance in this state.
Service of process on the Secretary of State shall conform to the
provisions of section twelve, article four of this chapter.

(h) A person seeking licensure shall provide evidence, in a
form acceptable to the commissioner, of its appointments or
contracts as a managing general agent. The commissioner may
refuse to renew the license of a person that has not been
appointed by, or otherwise authorized to act for, an insurer as a
managing general agent.
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman, House Committee

Chairman, Senate Committee

Originating in the House.

In effect ninety days from passage.

Clerk of the House of Delegates

Clerk of the Senate

Speaker of the House of Delegates

President of the Senate

The within is approved this the ___ day of March, 2014.

Governor
PRESENTED TO THE GOVERNOR

Time: 9:50am