

H. B. 2943

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(By Delegates Perry and Walters)
[Introduced January 31, 2011; referred to the
Committee on Banking and Insurance then the Judiciary.]

10 A BILL to amend and reenact §23-2C-10 of the Code of West Virginia,
11 1931, as amended, relating to the administration of the West
12 Virginia workers compensation adverse risk plan.

13 *Be it enacted by the Legislature of West Virginia:*

14 That §23-2C-10 of the Code of West Virginia, 1931, as amended,
15 be amended and reenacted to read as follows:

16 **ARTICLE 2C. EMPLOYERS' MUTUAL INSURANCE COMPANY.**

17 **§23-2C-10. West Virginia adverse risk assignment.**

18 (a) The Insurance Commissioner shall provide for the
19 development and administration of an assigned risk plan to provide
20 workers' compensation insurance coverage to employers who are
21 unable to procure coverage in the voluntary market.

22 (b) To qualify for coverage under the plan, an employer must
23 have been categorically declined coverage by at least two insurers
24 that are not affiliated with each other. The employer has the

1 burden of establishing that at least two unaffiliated insurers are
2 unwilling to provide coverage at any premium level that is
3 reasonably related to the risk presented by the employer. The
4 assigned risk plan may also provide for other reasonable
5 qualifications and for the termination of coverage under the plan
6 for specified reasons.

7 (c) Any employer that satisfies the requirements of subsection
8 (b) of this section and other qualifications established in the
9 plan shall be provided coverage at a premium level to be determined
10 or approved by the Insurance Commissioner, which premiums shall be
11 actuarially sound, consistent with classification and rate-making
12 methodologies found in the insurance industry, and calculated to
13 enable the plan to be self-sustaining and, to the greatest extent
14 possible, able to operate without subsidies from employers and
15 insurers in the voluntary market. Rates may not be excessive,
16 inadequate or unfairly discriminatory.

17 (d) The Insurance Commissioner may designate any third party,
18 including any private carrier or rating organization with
19 substantial experience in developing and administering similar
20 programs in other states, to develop and administer the assigned
21 risk plan: ~~for a period of three years, and thereafter, shall~~
22 ~~contract with any qualified party, including the then current~~
23 ~~administrator, to continue the administration of the assigned risk~~
24 ~~plan:~~ *Provided,* That the Insurance Commissioner must approve the
25 plan prior to the plan becoming operative. The plan established

1 pursuant to this section shall require that all private carriers
2 participate as a condition of their authority to transact business
3 in this state.

4 (e) In the event the plan incurs a deficit in one or more
5 policy years, the Insurance Commissioner may assess all private
6 carriers providing workers' compensation insurance in voluntary
7 market funds as are necessary to cover the deficits. The
8 assessments shall result in an equitable distribution of costs
9 among private carriers based upon premiums received by the private
10 carriers in the private market. Assessments made upon the policies
11 of each private carrier pursuant to this section may be collected
12 by each carrier in the form of a surcharge.

NOTE: The purpose of this bill is to clarify that the Insurance Commissioner may designate the administrator of the adverse risk plan.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.