



1           That §33-22-2 of the Code of West Virginia, 1931, as amended,  
2 be amended and reenacted to read as follows:

3 **ARTICLE 22. FARMERS' MUTUAL FIRE INSURANCE COMPANIES.**

4 **§33-22-2. Applicability of other provisions.**

5           Each company to the same extent that provisions are applicable  
6 to domestic mutual insurers shall be governed by and be subject to  
7 the following provisions of this chapter, but only to the extent  
8 ~~these provisions~~ they are not inconsistent with ~~the provisions of~~  
9 this article: Article one (definitions); article two (Insurance  
10 Commissioner); article four (general provisions), except that  
11 section sixteen of said article may not be applicable thereto;  
12 article seven (assets and liabilities); article eight-a (use of  
13 clearing corporations and federal reserve book-entry system);  
14 article ten (rehabilitation and liquidation), except that under ~~the~~  
15 ~~provisions of~~ section thirty-two of said article assessments may  
16 not be levied against any former member of a farmers' mutual fire  
17 insurance company who is no longer a member of the company at the  
18 time the order to show cause was issued; article eleven (unfair  
19 trade practices); article twelve (insurance producers and  
20 solicitors), except that the agent's license fee shall be \$5;  
21 section six-a, article seventeen (notice of noncoverage of flood  
22 damages and the availability of flood insurance); section nine-b,  
23 article seventeen (claims for total loss and debris removal

1 proceeds); article twenty-six (West Virginia Insurance Guaranty  
2 Association Act); article twenty-seven (insurance holding company  
3 systems); article thirty (mine subsidence insurance), except that  
4 under ~~the provisions of~~ section six of said article a farmers'  
5 mutual insurance company shall have the option of offering mine  
6 subsidence coverage to all of its policyholders, but may not be  
7 required to do so; article thirty-three (annual audited financial  
8 report); article thirty-four (administrative supervision); ~~article~~  
9 ~~thirty-four-a (standards and commissioner's authority for companies~~  
10 ~~considered to be in hazardous financial condition)~~; article thirty-  
11 five (criminal sanctions for failure to report impairment); article  
12 thirty-six (business transacted with Producer-Controlled Property-  
13 Casualty Insurer Act); article thirty-seven (managing general  
14 agents); article thirty-nine (disclosure of material transactions);  
15 article forty (risk-based capital for insurers); and article forty-  
16 one (Insurance Fraud Prevention Act).

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(NOTE: The purpose of this bill is to make the statutory lien requirement on insurance proceeds for total loss to real property in favor of a municipality for the cleanup of the property applicable to farmers' mutual fire insurance companies. The bill provides for verification of debris removal prior to the payment of proceeds. The bill requires farmers' mutual fire insurance companies to notify insured and municipality or county after determining that a claim involves a total loss to real property. The bill requires a municipality or county to perfect the lien

within thirty days of notice of a total-loss determination. The bill provides for release of the lien upon satisfaction of certain conditions. The bill clarifies obligations and liability and deletes a reference to a repealed section of the code.

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