

H. B. 2811

(By Delegates Westfall, McCuskey and Frich)

[Introduced February 18, 2015; referred to the
Committee on Banking and Insurance then Finance.]

A BILL to amend and reenact §33-20F-4 of the Code of West Virginia, 1931, as amended, relating to deleting obsolete provisions regarding the Physicians' Mutual Insurance Company; and providing that the company need not be organized as a nonprofit corporation if the company remains a domestic mutual insurance company owned by its policyholders.

Be it enacted by the Legislature of West Virginia:

That §33-20F-4 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 20F. PHYSICIANS' MUTUAL INSURANCE COMPANY.

§33-20F-4. Authorization for creation of company; requirements and limitations.

(a) Subject to the provisions of this article, a Physicians' Mutual Insurance Company may be created as a domestic, private, nonstock ~~nonprofit~~ corporation. ~~As an incentive for its creation, the company may be eligible for funds from the Legislature in accordance with the provisions of section seven of this article.~~ The company must remain for the duration of its existence a domestic mutual

1 insurance company owned by its policyholders and may not be converted into a stock corporation
2 ~~a for-profit corporation~~ or any other entity not owned by its policyholders. ~~The company may not~~
3 ~~declare any dividend to its policyholders; sell, assign or transfer substantial assets of the company;~~
4 ~~or write coverage outside this state, except for counties adjoining this state, until after any and all~~
5 ~~debts owed by the company to the state have been fully paid.~~

6 (b) For the duration of its existence, the company is not and may not be considered a
7 department, unit, agency, or instrumentality of the state for any purpose. All debts, claims,
8 obligations, and liabilities of the company, whenever incurred, ~~shall be~~ are the debts, claims,
9 obligations, and liabilities of the company only and not of the state or of any department, unit,
10 agency, instrumentality, officer or employee of the state.

11 (c) The moneys of the company are not and may not be considered part of the General
12 Revenue Fund of the state. The debts, claims, obligations, and liabilities of the company are not and
13 may not be considered a debt of the state or a pledge of the credit of the state.

14 (d) The company is not subject to provisions of article nine-a, chapter six of this code or the
15 provisions of article one, chapter twenty-nine-b of this code.

16 (e) All premiums collected by the company are subject to the premium taxes, additional
17 premium taxes, additional fire and casualty insurance premium taxes and surcharges contained in
18 sections fourteen, fourteen-a, fourteen-d and thirty-three, article three of this chapter.

19 (f) *Effective Date* - The changes to this section adopted in 2013 are effective and apply on
20 and after July 1, 2013.

NOTE: The purpose of this bill is to delete obsolete provisions in the West Virginia Code regarding the Physician's Mutual Insurance Company, and to provide that the company need not be organized as a nonprofit corporation provided that the company remain a domestic mutual insurance company owned by its policyholders.

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