

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Originating

House Bill 4734

BY DELEGATES MCCUSKEY, SHOTT, DEEM, SOBONYA,
FOLK, FAST, MANCHIN, MOORE, FLUHARTY, FLEISCHAUER
AND CAPUTO

[Originating in the Committee on the Judiciary.]

1 A BILL to amend and reenact §33-30-6 of the Code of West Virginia, 1931, as amended, and to
2 amend and reenact §33-30-8 of said code, all relating to mine subsidence insurance;
3 increasing the maximum amount of the total insured value reinsured by the Board of Risk
4 Management.

Be it enacted by the Legislature of West Virginia:

1 That §33-30-6 of the Code of West Virginia, 1931, as amended, and that §30-33-8 be
2 amended and reenacted, all to read as follows:

ARTICLE 30. MINE SUBSIDENCE INSURANCE.

§33-30-6. Mine subsidence coverage; waivers.

1 Beginning October 1, 1982, every insurance policy issued or renewed insuring on a direct
2 basis a structure located in this state shall include, at a separately stated premium, insurance for
3 loss occurring on or after October 1, 1982, caused by mine subsidence unless waived by the
4 insured: ~~Provided, That no~~ A waiver shall be is not required and such the coverage shall may only
5 be provided if requested by the insured in the following counties: Berkeley, Cabell, Calhoun,
6 Hampshire, Hardy, Jackson, Jefferson, Monroe, Morgan, Pendleton, Pleasants, Ritchie, Roane,
7 Wirt, and Wood: ~~Provided, however, That~~ The effective date of a new policy or endorsement
8 containing mine subsidence insurance coverage shall be on the thirtieth calendar day after the
9 application date. The premium charged for coverage shall be set by the board. ~~The loss coverage~~
10 ~~shall be the loss in excess of two percent of the policy's total insured value, but~~ At no time shall
11 may the deductible be less than \$250 nor more than \$500; and total insured value reinsured by
12 the board shall may not exceed ~~\$75,000: Provided further, That~~ \$200,000. In no event shall may
13 the amount of mine subsidence reinsurance exceed the amount of the fire insurance on the
14 structure.

'33-30-8. Reinsurance agreements.

1 All companies authorized to write fire insurance in this state shall enter into a reinsurance

2 agreement with the board in which each insurer agrees to cede to the board one hundred percent,
3 up to ~~\$75,000~~ \$200,000, of any subsidence insurance coverage issued and, in consideration of
4 the ceding commission retained by the insurer, agree to absorb all expenses of the insurer
5 necessary for sale of policies and any administration duties of the mine subsidence insurance
6 program imposed upon it pursuant to the terms of the reinsurance agreement. The board is
7 authorized to undertake adjustment of losses and administer the fund, or it may provide in a
8 reinsurance agreement that the insurer do so. The board shall agree to reimburse the insurer
9 from the fund for all amounts paid policyholders for claims resulting from mine subsidence and
10 shall pay from the fund all costs of administration incurred by the board but an insurer is not
11 required to pay any claim for any loss insured under this article except to the extent that the
12 amount available in the mine subsidence insurance fund, as maintained pursuant to sections four
13 and five of this article, is sufficient to reimburse the insurer for such claim under this section, and
14 without moral obligation.

NOTE: The purpose of this bill is to increase the limit of mine subsidence insurance reinsured by the Board of Risk Management from \$75,000 to \$200,000.

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