

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

House Bill 2063

2015 Carryover

(BY DELEGATE CAPUTO)

[Introduced January 13, 2016; referred to the
Committee on Banking and Industry then the
Judiciary.]

1 A BILL to amend and reenact §33-20-5 of the Code of West Virginia, 1931, as amended,
2 relating to insurance generally; and prohibiting the use of a credit score in casualty insurance rate
3 filings.

Be it enacted by the Legislature of West Virginia:

1 That §33-20-5 of the Code of West Virginia, 1931, as amended, be amended and
2 reenacted to read as follows:

ARTICLE 20. RATES AND RATING ORGANIZATIONS.

§33-20-5. Disapproval of filings.

1 (a) If within the waiting period or any extension ~~thereof~~ as provided in subsection (e) of
2 section four of this article, the commissioner finds that a filing does not meet the requirements of
3 this article, he or she shall send to the insurer or rating organization which made ~~such~~ the filing,
4 written notice of disapproval of ~~such~~ the filing specifying ~~therein~~ in what respects he or she finds
5 ~~such~~ the filing fails to meet the requirements of this article and stating that ~~such~~ the filing ~~shall~~
6 does not become effective.

7 (b) If within thirty days after a special surety filing subject to subsection (f) of section four
8 of this article or if within thirty days after a specific inland marine rate on a risk specially rated by
9 a rating organization subject to subsection (g) of section four of this article has become effective,
10 the commissioner finds that ~~such~~ the filing does not meet the requirements of this article, he or
11 she shall send to the rating organization which made ~~such~~ the filing written notice of disapproval
12 of ~~such~~ the filing specifying ~~therein~~ in what respects he or she finds that ~~such~~ the filing fails to
13 meet the requirements of this article and stating when, within a reasonable period, ~~thereafter,~~
14 ~~such filing shall be deemed~~ the filing is no longer effective. ~~Said~~ The disapproval ~~shall~~ does not
15 affect any contract made or issued prior to the expiration of the period set forth in ~~said~~ the notice.

16 (c) If ~~at any time~~ subsequent to the applicable review period provided ~~for~~ in subsection (a)

17 or (b) of this section, the commissioner finds that a filing does not meet the requirements of this
18 article, he or she shall, after notice and hearing to every insurer and rating organization which
19 made ~~such the~~ filing, issue an order specifying in what respects he or she finds that ~~such the~~ filing
20 fails to meet the requirements of this article and ~~stating when, within a reasonable period~~
21 ~~thereafter, such filing shall be deemed~~ state when, within a reasonable period, the filing is no
22 longer effective. Copies of ~~said the~~ order shall be sent to every such insurer and rating
23 organization. ~~Said The~~ order ~~shall~~ does not affect any contract or policy made or issued prior to
24 the expiration of the period set forth in ~~said the~~ order.

25 (d) ~~Any A~~ person or organization aggrieved with respect to any filing which is in effect may
26 demand a hearing. ~~thereon.~~ If, after ~~such the~~ hearing, the commissioner finds that the filing does
27 not meet the requirements of this article, he or she shall issue an order specifying in what respects
28 he or she finds that ~~such the~~ filing fails to meet the requirements of this article and ~~stating when,~~
29 ~~within a reasonable period thereafter, such filing shall be deemed~~ state when, within a reasonable
30 period, the filing is no longer effective. ~~Said The~~ order ~~shall~~ does not affect any contract or policy
31 made or issued prior to the expiration of the period set forth in ~~said the~~ order.

32 (e) Any insurer or rating organization, in respect to any filing made by it which is not
33 approved by the commissioner, may demand a hearing. ~~thereon.~~

34 (f) No manual of classifications, rules, rating plans or any modification of any of the
35 foregoing which establishes standards for measuring variations in hazards or expense provisions,
36 or both, in the case of casualty insurance to which this article applies and no manual, minimum,
37 class rate, rating schedule, rating plan, rating rule or any modification of any of the foregoing, in
38 the case of fire insurance to which this article applies, and which has been filed pursuant to the
39 requirements of section four of this article, shall be disapproved if the rates thereby produced
40 meet the requirements of this article. None of the foregoing may consider credit scores as a factor.

41 (g) If, in the opinion of the commissioner, the rate or form filing made by an insurer is of
42 such import that it will affect the public, he or she may, at his or her discretion, issue notice to
43 ~~such the~~ insurer of a public hearing. The notice of public hearing to the insurer making ~~such the~~
44 form or rate filing shall be made by United States mail at least fifteen days prior to the hearing
45 date. Notice to the public shall be given by ~~appropriate~~ publication in a newspaper in the form
46 and manner prescribed by chapter twenty-nine-a of this code. The holding of a public hearing
47 as outlined in this subsection ~~shall have the effect of eliminating~~ eliminates the right of the party
48 making ~~such the~~ filing to demand a hearing as stated in subsections (d) and (e) of this section.

NOTE: The purpose of this bill is to prohibit the use of a credit score in casualty insurance rate filings.

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