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SB 506

FILED

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OFFICE WEST VIRGINIA
SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE
Regular Session, 2004

ENROLLED

SENATE BILL NO. 506

(By Senators Minard and Jenkins)

PASSED March 10, 2004

In Effect ninety days from Passage

FILED

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OFFICE WEST VIRGINIA
SECRETARY OF STATE

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Senate Bill No. 506

(BY SENATORS MINARD AND JENKINS)

[Passed March 10, 2004; in effect ninety days from passage.]

AN ACT to amend and reenact §31A-4-2 of the code of West Virginia, 1931, as amended, relating to the use of "bank" in its name by a licensed insurance company.

Be it enacted by the Legislature of West Virginia:

That §31A-4-2 of the code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

ARTICLE 4. BANKING INSTITUTIONS AND SERVICES GENERALLY.

§31A-4-2. Use of terms; unlawfully engaging in banking business; penalties; enforcement.

- 1 (a) No person doing business in this state, except a
- 2 banking institution, a person authorized by the commis-
- 3 sioner under the terms of this section or an insurer licensed
- 4 pursuant to article three, chapter thirty-three of this code
- 5 under a name including the terms set forth herein as of the
- 6 thirty-first day of December, two thousand three, may use

7 or advertise in connection with such business, or as a
8 designation or title thereof, the term “bank”, “banker”,
9 “banking”, “banking company”, “industrial bank”,
10 “savings bank” or “trust company” and the insurance
11 commissioner shall notify the commissioner of each
12 insurer so licensed. No person doing business in this state
13 except a banking institution or a person authorized by the
14 commissioner under this article may engage in the banking
15 or trust business in this state. A nonbanking subsidiary of
16 a bank holding company or a nonbanking subsidiary of a
17 banking institution having a bank branch or bank main
18 office in this state that provides trust services pursuant to
19 section fourteen of this article may use the term “trust
20 company” in its title and advertising. A trust entity owned
21 jointly by federally insured depository institutions located
22 within this state and authorized by the commissioner to
23 operate in this state may use the term “trust company” in
24 its title and advertising.

25 (b) It is unlawful for any such person other than banking
26 institutions, as herein excepted, to advertise or hold
27 himself, itself or themselves, as the case may be, out to the
28 public in any manner indicating, directly, indirectly or by
29 implication, that any of them is engaged in the banking or
30 trust business or is authorized and approved to engage
31 therein in this state. A nonbanking subsidiary of a bank
32 holding company or nonbanking subsidiary of a banking
33 institution having a bank branch or bank main office in
34 this state that provides trust services pursuant to section
35 fourteen of this article may hold itself out to the public as
36 engaged in the trust business. A trust entity owned jointly
37 by federally insured depository institutions located within
38 this state and authorized by the commissioner to operate
39 in this state may hold itself out to the public as engaged in
40 the trust business.

41 (c) The commissioner may authorize a person to utilize
42 the term “bank” or “banc” in connection with nonprofit
43 organizations or medical businesses where the term would

44 have a common meaning separate and apart from a
45 financial institution and would not result in confusion to
46 the public (e.g., food bank; medical databank); and in
47 connection with bank holding companies or their
48 nonbanking affiliates where the term denotes the entities'
49 common affiliation and would not result in confusion to
50 the public.

51 (d) Any violation of the provisions of this section consti-
52 tutes a misdemeanor offense, punishable as provided in
53 section fifteen, article eight of this chapter.

54 (e) The commissioner of banking or any one or more
55 banking institutions, acting individually or jointly, may
56 petition the circuit court of the county in which any
57 violation of the provisions of this section occur or are
58 threatened to occur for injunction or other appropriate
59 judicial remedies for enforcement of the provisions hereof
60 and the prevention of further or continued violations
61 thereof.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

[Signature]
.....
Chairman Senate Committee

[Signature]
.....
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

[Signature]
.....
Clerk of the Senate

[Signature]
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Clerk of the House of Delegates

[Signature]
.....
President of the Senate

[Signature]
.....
Speaker House of Delegates

The within *is approved* this the *23rd*
Day of *March*, 2004.

[Signature]
.....
Governor

THE GOVERNOR

Date 3/18/04

Time 10.10am