

WEST VIRGINIA ADMINISTRATIVE REGULATION
INSURANCE COMMISSIONER

No. 15
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FILED IN THE OFFICE OF
A. JAMES MANCHIN
SECRETARY OF STATE

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Administrative Law Division

EXAMINERS' COMPENSATION,
QUALIFICATION AND CLASSIFICATION

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Title 114
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WEST VIRGINIA ADMINISTRATIVE REGULATION
INSURANCE COMMISSIONER

Series NO. 15
1982

Examiners' Compensation
Qualification and Classification

Section 1. General

1:01 Identification of Rule - This regulation is a Legislative Rule, as defined by the provisions of Chapter 29A, Article 1, Section 2(d) of the Code of West Virginia of 1931, as amended.

1:02 Reference - This regulation relates to Chapter 33, Article 2, Section 9 of the Code of West Virginia of 1931, as amended.

1:03 Authority - This regulation is promulgated under the authority vested in the Insurance Commissioner by Chapter 33, Article 2, Section 10 of the Code of West Virginia of 1931, as amended.

1:04 Purpose^{supl} - The purpose of this regulation is to implement the provisions of Chapter 33, Article 2, Section 9 of the West Virginia Code of 1931, as amended, to provide for the compensation, qualification and classification of personnel conducting an examination of either a domestic or foreign insurer in behalf of the Commissioner.

~~1:05 Applicability and Scope - This regulation shall apply in connection with any examination conducted pursuant to Chapter 33, Article 2, Section 9 of the West Virginia Code of 1931, as amended, by the Commissioner or his representatives, of any insurer, whether domestic or foreign, at such time as the Commissioner deems necessary.~~

1:06 Effective Date - This regulation shall become effective upon filing in the Office of the Secretary of State. April 24, 1982

1:07 Filing Date - This regulation was filed in the Office of the Secretary of State on April 26, 1982.

~~1:08 Certification - This regulation is certified authentic by the Insurance Commissioner of West Virginia by Certificate Number 15.~~

Section 2. Definitions - As used in this regulation:

2:01 Commissioner - Shall mean the Insurance Commissioner of the State of West Virginia.

2:02 Examiner - Shall mean any person deemed qualified and authorized by the Commissioner to visit each insurer, whether domestic or foreign, and thoroughly examine its financial condition and methods of doing business and ascertain whether it has complied with all the laws and regulations of this State. An examiner may be designated by the Commissioner to be classified as:

- (A) Examiner I;
- (B) Examiner II; or
- (C) Examiner III.

2:03 Examiner Fees - Shall mean salary and other expenses incurred in the examination process, excluding travel and living expenses.

Section 3. Qualifications of Examiners by Category

3:01 Examiner I Qualifications - An Examiner I shall have the following education or experience:

(A) A bachelor's degree from an accredited four year college or university with at least fifteen college credits in accounting and a major in either accounting, finance, insurance, statistics, general business administration or economics; or

(B) Accounting experience for a minimum of three years in the capacity of treasurer, assistant treasurer, controller, assistant controller or auditor for an insurance company's home office or autonomous branch office.

3:02 Examiner II Qualifications - An Examiner II shall have the following education or experience:

(A) A bachelor's degree from an accredited four year college or university with a major in either accounting, finance, insurance, statistics, general business administration or economics and a minimum of fifteen college credits in accounting, plus at least four years of insurance department examination experience; or

(B) Designation as an Accredited Financial Examiner (AFE) by the Society of Financial Examiners.

3:03 Examiner III Qualifications - An Examiner III shall have the following education and/or experience:

(A) A bachelor's degree from an accredited four year college or university with a major in accounting, finance, insurance, statistics, general business administration or economics and a minimum of fifteen college credits in accounting, plus at least six years of insurance department examination experience; or

(B) Designation as a Certified Financial Examiner (CFE) by the Society of Financial Examiners; or

(C) Public or private insurance accounting experience for a minimum of six years and at least fifteen college credits in accounting; or

(D) Accounting experience for at least ten years in the capacity of treasurer, assistant treasurer, controller, assistant controller or auditor in an insurance company's home office or autonomous branch office; or

(E) An advanced college degree in business administration, accounting, finance, insurance, statistics, economics, or other related field or a law degree which may be substituted for three years of the required experience.

Section 4. Guidelines for Computing Compensation

4:01 Examiner Fees - Salary and other expenses incurred in the examination process, excluding travel and living expenses, shall be charged to the company being examined at a rate which is 173.3 percent of the salary recommended for each class of examiner by the Examiners Handbook of the National Association of Insurance Commissioners or its successor.

4:02 Computation Period for Examiner Fees - Salary and other expenses incurred in the examination process, excluding travel and living expense, shall be charged to the company being examined for:

(A) Each day or portion thereof actually worked at the office of the company to be examined during regular company hours;

(B) Actual time used for travel if on a day other than a weekend or holiday; and

(C) Each day or portion thereof used in preparing the examination report.

The charge for examiner fees shall cease upon termination of the examiner's active participation in the examination.

4:03 Travel - Travel by examiners in connection with the examination process shall not be undertaken unless authorized by the Commissioner. Travel expenses incurred in the examination process shall be charged to the company being examined in the following manner:

(A) If air travel is used, a maximum of one day's travel time shall be authorized and the examiner shall be reimbursed for actual travel expenses incurred.

(B) If an automobile is used, the distance traveled shall be not less than three hundred seventy-five miles per day as determined by the Rand McNally road map.

Examiners shall be compensated for the actual mileage traveled, and such compensation shall be computed at the rate currently mandated by the Governor's Travel Regulations.

4:04 Authorized Days Per Week - Authorized living expenses shall be charged to the company being examined on a basis of seven days per week for the duration of the on-site examination unless the examiner travels home or away from the vicinity of the company being examined, or takes annual leave. Living expenses shall not be authorized if the examination takes place in a town in which the examiner maintains a residence.

4:05 Holidays -

(A) On any State or National holiday or any day that the company has optionally closed for business, if the examiner is available for work, examiner fees and living expenses shall be charged for that particular day.

(B) On any day declared a holiday by the State of West Virginia but not recognized by the company, living expenses shall be charged, except that if the examiner chooses to work, examiner fees shall also be charged, but no extra leave time or compensation time shall be earned.

4:06 Unavailability of Examiner - No examiner fees shall be charged for any day on which an examiner is absent due to sickness, annual leave, or any other cause, provided the company is open for the normal transaction of business.

4:07 Sick Leave - The company being examined shall be charged for the examiner's living expenses for any day on which the examiner is absent due to sickness provided that the examiner remains in the vicinity of the company being examined and does not travel home as a result of the illness. In cases in which sick leave extends beyond three working days, the reason for such absence shall be verified by a physician's statement.

4:08 Annual Leave - On any day authorized for use by the examiner for annual leave:

(A) The company shall not be charged and the examiner shall not be reimbursed for travel or living expenses; and

(B) The company shall not be charged for examiner fees, but salary shall be paid for accrued time provided that prior approval as specified in Subsection 4:10 has been received.

4:09 Accrued Time - Annual leave and sick leave shall accrue at the rates established by the current West Virginia Civil Service Regulations for State employees.

4:10 Approval - Annual leave may be taken by the examiner only upon written approval by the Commissioner or the Director of Financial Conditions. Approval must be requested at least as far in advance of the leave as the length of leave requested, i.e., for four days leave, the request must be submitted at least four days in advance. In a case of emergency, the requirement periods for advance request may be waived by the Commissioner.

4:11 Reassignment - Dual travel and living expenses shall not be charged when an examiner has been reassigned within the same vicinity and is, therefore, involved with more than one company on the same day. Such expenses shall be prorated between the companies.

4:12 Optional Per Diem Allowance - In lieu of reimbursement for actual living expenses, examiners may receive a per diem allowance of \$40.00 per day when assigned within the State of their employment and \$50.00 per day when assigned out of State. The Commissioner may, prior to commencement of the examination, authorize an increase or decrease of these allowances because of local conditions, provided vouchers and other justification for such changes are submitted.

4:13 Other Examiners - In the event the Commissioner should deem an immediate examination of a company necessary and the Department's qualified examiners are unavailable, the Commissioner may utilize other examiners or department personnel which he may deem qualified to perform the work, and may charge the company for the salary and other expenses incurred therein.

Section 5. Collection Procedures for Examination Expense

5:01 Weekly Report - Each examiner shall prepare an "Examiner's Weekly Expense and Days Worked Report" in conjunction with examinations of each insurance company. An examiner participating in the examination of a foreign insurance company shall forward the originals of the reports to the Commissioner each week and retain copies for the examiner's own record. The examiner-in-charge of the examination of a domestic insurance company will approve and forward the original copy of each examiner's report to the Commissioner each week and retain one copy of each report for his records.

5:02 Periodic Billing - Upon verification of the weekly reports, the Commissioner or his designee shall prepare an invoice and bill the company twice per month for charges for days worked, as well as for the expense charges for each examiner. All invoices for expenses and daily work charges are to be billed directly by the Department of Insurance to the company under examination. The company is directed by the invoice to submit its payments directly to the Department of Insurance for both expenses and charges for the days worked and to make checks payable to the West Virginia Insurance Commissioner. Upon receipt of the amount due from the company, the Commissioner or his designee shall remit the amount thereof to the Treasurer of the State for deposit in the Examiner's Revolving Fund, pursuant to Chapter 33, Article 2, Section 9 of the Code of West Virginia of 1931, as amended.