

WEST VIRGINIA
SECRETARY OF STATE
KEN HECHLER
ADMINISTRATIVE LAW DIVISION

Form #6

DO NOT MARK IN THIS BOX

FILED

APR 2 4 02 PM '96

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

**NOTICE OF FINAL FILING AND ADOPTION OF A LEGISLATIVE RULE AUTHORIZED
BY THE WEST VIRGINIA LEGISLATURE.**

AGENCY: Insurance Commissioner TITLE NUMBER: 114

AMENDMENT TO AN EXISTING RULE: YES , NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: 20

TITLE OF RULE BEING AMENDED: Excess Line Brokers

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: _____

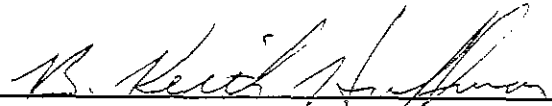
TITLE OF RULE BEING PROPOSED: _____

THE ABOVE RULE HAS BEEN AUTHORIZED BY THE WEST VIRGINIA LEGISLATURE.

AUTHORIZATION IS CITED IN (house or senate bill number) SB 171

SECTION 64-7-3(c), PASSED ON March 7, 1996

THIS RULE IS FILED WITH THE SECRETARY OF STATE. THIS RULE BECOMES EFFECTIVE ON
THE FOLLOWING DATE: April 2, 1996


AUTHORIZED SIGNATURE

PROMULGATION HISTORY

West Virginia Insurance Commission Regulation Relating to Excess Line Brokers Title 114, Series 20

6/27/95	Notice of Comment Period Filed
7/27/95	Last Date Comments Were Received
7/28/95	Agency Approved Legislative Rule Filed
10/26/95	Date Reviewed by Legislative Rule-Making Review Committee
11/27/95	Date Modified and Approved Rule Filed
04/02/96	Filing Date
04/02/96	Effective Date

114CSR20

WEST VIRGINIA LEGISLATIVE RULE
INSURANCE COMMISSIONER

SERIES 20
~~REGULATION RELATING TO EXCESS LINE BROKERS~~

Section

- 114-20-1. General.
- 114-20-2. Definitions.
- 114-20-3. Licensing of an excess line broker;
revocation, suspension or refusal to renew
license and penalty in lieu thereof.
- 114-20-4. Placement of excess line coverage.
- 114-20-5. Excess Line premium tax annual return and
report by broker.
- 114-20-6. Separability.

114CSR20

WEST VIRGINIA LEGISLATIVE RULE
INSURANCE COMMISSIONER

SERIES 20

~~REGULATION RELATING TO EXCESS LINE BROKERS~~

§ 114-20-1. General.

1.1. Scope. -- This legislative rule establishes certain requirements for the licensing and regulation of excess line brokers pursuant to ~~article twelve, chapter thirty three of the Code of West Virginia W.Va. Code § 33-12-1 et seq. of 1931, as amended.~~

1.2. Authority. -- W. Va. Code §33-2-10

1.3. Filing Date. --

1.4. Effective Date. --

§ 114-20-2. Definitions.

2.1. "Commissioner" means the Insurance Commissioner of West Virginia.

2.2. "Evidence of Insurance" means written or printed statements evidencing the applicability and effectiveness of insurance coverages, including, but not limited to, policy forms, certificates, cover notes, binders and other traditionally acceptable evidences of insurance.

2.3. "Excess Line Insurer" means an insurer not licensed by the Commissioner to do insurance business, and considered to be a nonadmitted insurer, in the State of West Virginia.

2.4. "Excess Line Broker" means an individual licensed pursuant to the provisions of this ~~regulation rule~~ and West Virginia W. Va. Code, section thirteen, article twelve, chapter thirty three, § 33-12-13 for the purposes of placing insurance of risks resident, located or to be performed in this State, with an excess line insurer.

Insurance Commissioner
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2.5. "Excess Line Market" means the entire scope of insurance business on risks resident, located or to be performed in this State, to be placed with an excess line insurer.

2.6. "Insolvent Insurer" means any insurer which is determined to be insolvent in accordance with the provisions of chapter thirty-three of the ~~Code of West Virginia Code of 1931,~~ Code of 1931, as amended, or any insurer which is determined to be insolvent by the commissioner of any other state.

2.7. "Licensed Insurer" means an insurer licensed by the Commissioner to do insurance business in the State of West Virginia.

§ 114-20-3. Licensing of an excess line broker; revocation, suspension or refusal to renew license and penalty in lieu thereof.

3.1. Licensing requirements. -- Any applicant for an excess line broker's license issued or renewed under the provisions of ~~West Virginia Code, section thirteen, article twelve, chapter thirty-three W. Va. Code § 33-12-13:~~

~~(a)~~a. Shall be a duly licensed West Virginia resident agent holding a current and valid license for the type(s) of insurance which the applicant expects and intends to export to the excess line market;

~~(b)~~b. Shall have held for at least three (3) consecutive years immediately preceding the date of application a valid agent's license for the type(s) of insurance the applicant expects and intends to export to the excess line market, and shall have held a valid West Virginia resident agent's license for such type(s) of insurance for at least one (1) of those three (3) years. The Commissioner, in his or her discretion, may waive this requirement if the applicant otherwise demonstrates the necessary trustworthiness and competence by education, experience or other relevant factors;

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~~(c)~~c. Shall satisfactorily complete an examination administered by the office of the Commissioner or its designated agent. ~~The Commissioner shall not require an examination for any person who holds a current and valid excess line broker's license in West Virginia on the effective date of this regulation;~~

~~(d)~~d. Shall pay the required license fee as established by the provisions of ~~West Virginia Code, section thirteen, article twelve, chapter thirty three~~ W. Va. Code § 33-12-13;

~~(e)~~e. Shall file with the Commissioner and thereafter maintain in force for so long as the license or any renewal thereof remains in effect, a bond in favor of the State of West Virginia in the penal sum as established by the provisions of ~~West Virginia Code, section thirteen, article twelve, chapter thirty three~~ W. Va. Code § 33-12-13, with an authorized corporate surety approved by the Commissioner, conditioned that he or she shall conduct business under his or her license in accordance with this regulation rule and the West Virginia Code. No bond shall be terminated unless at least thirty (30) days' prior written notice thereof is filed with the Commissioner;

~~(f)~~f. Shall be ~~deemed~~ considered trustworthy for the purpose of conducting insurance business as an excess line broker, as required by the provisions of ~~West Virginia Code, section thirteen, article twelve, chapter thirty three~~ W. Va. Code § 33-12-13; and

~~(g)~~g. Shall satisfy any other criteria reasonably established by the Commissioner.

3.2. Revocation, suspension or refusal to renew license. -- Whenever, after notice and hearing, the Commissioner is satisfied that any excess line broker has violated any provisions of any administrative regulation rule of the Commissioner or any provisions of ~~chapter thirty three of the Code of West Virginia of 1931, as amended~~ W. Va. Code § 33-12-25, or is incompetent or untrustworthy, he or she shall revoke, suspend or refuse to renew the license of ~~such~~ the excess line broker as required by the

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~~provisions of West Virginia Code, section twenty five, article twelve, chapter thirty three W. Va. Code § 33-12-25.~~ In lieu of revoking, suspending or refusing to renew ~~such the~~ license, the Commissioner, in his or her discretion, may order ~~such the~~ licensee to pay to the State of West Virginia a penalty in a sum not to exceed ~~one hundred dollars (\$100)~~ one thousand dollars (\$1,000) for each violation, and upon failure ~~to of such the~~ licensee to pay ~~such the~~ penalty by delivery of ~~such the~~ sum to the Commissioner within thirty (30) days of notice ~~thereof the~~ penalty, the Commissioner shall revoke, suspend or refuse to renew ~~such the~~ license.

§ 114-20-4. Placement of excess line coverages.

4.1. Due diligence. -- In accordance with the provisions of ~~West Virginia Code subsection (b), section ten, article twelve, chapter thirty three W. Va. Code § 33-12-10(b),~~ the insurance coverage written by an excess line insurer and placed by an excess line broker shall not be procurable from licensed insurers authorized to transact that kind of insurance in this State. The broker shall submit to the Commissioner a sworn notarized ~~statement affidavit,~~ as provided in Section 4.4 of this ~~regulation rule,~~ that a diligent search has been made to place the risk with licensed insurers authorized to write and actually writing the particular type of risk sought to be placed in the excess line market. This statement affidavit also which shall include a sworn statement as to the reasons why the broker has been unable to place the risk with licensed insurers will be maintained as required by W. Va. Code § 33-12-15 as a part of the full and true record of each excess line contract procured.

4.2. Notification. -- Each excess line insurance policy or evidence of insurance shall have printed or stamped in contrasting color on the front page the following statement:

THIS COMPANY IS NOT LICENSED TO DO BUSINESS IN WEST VIRGINIA, AND IS NOT SUBJECT TO THE WEST VIRGINIA INSURANCE GUARANTY ACT.

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4.3. Countersignature. -- In accordance with the provisions of ~~West Virginia Code, section seven, article twelve, chapter thirty three~~ W. Va. Code § 33-12-7, no contract of insurance covering a subject of insurance, resident, located or to be performed in this State, shall be executed, issued or delivered by an excess line broker unless the contract is signed or countersigned in writing by a duly licensed excess line broker. This section does not apply to: Reinsurance; credit insurance; any contract of insurance covering the rolling stock of any railroad or covering any vessel, aircraft or motor carrier used in interstate or foreign commerce, or covering any liability or other risks incident to the ownership, maintenance or operation thereof; any contract of insurance covering any property in interstate or foreign commerce, or any liability or risks incident thereto.

4.4. Excess line broker's affidavit and report. -- Each excess line broker shall execute and file with the Commissioner, in accordance with the provisions of ~~West Virginia Code, section eleven, article twelve, chapter thirty three~~ W. Va. Code § 33-12-11, the information requested on the ~~Form Leb-3~~ Annual Affidavit of Excess Line Broker and the Annual Report of Written Excess Line Policies, as revised, attached to and made a part of this regulation. This affidavit and report shall be filed under oath, and shall be received by the Commissioner ~~within forty five (45) days after the effective date of coverage, or within fifteen (15) days after delivery of the policy or other acceptable evidence of insurance, whichever is sooner~~ on or before the first day of March in conjunction with the Annual Excess Line Tax Return Reconciliation, Form Leb-4A, as revised, and as required under Section 5.1 of this rule. The Annual Affidavit of Excess Line Broker shall include a sworn statement that the Annual Report of Excess Line Policies is inclusive of every excess line policy procured by the Excess Line Broker during the preceding calendar year. The Commissioner may require that the Annual Report of Written Excess Line Policies be submitted in a computer-readable form compatible with the electronic data processing system of the Office of the Insurance Commissioner.

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4.5. Records of excess line broker. -- In accordance with the provisions of ~~West Virginia Code, section fifteen, article twelve, chapter thirty-three~~ W. Va. Code § 33-12-15, each excess line broker shall keep in his or her office a full and true record of each excess line contract procured by him or her, and ~~such~~ the records may be examined at any time thereafter by the Commissioner. The records shall include the following items as they are applicable:

- ~~(a)~~a. ~~The~~ Name and address of the excess line insurer;
- ~~(b)~~b. ~~The~~ Names and addresses of the insureds;
- ~~(c)~~c. ~~The~~ Amount of insurance;
- ~~(d)~~d. ~~The~~ Egross premium charged;
- ~~(e)~~e. ~~The~~ Return premium paid, if any;
- ~~(f)~~f. ~~The~~ Rate of premium charged on the several items of coverages;
- ~~(g)~~g. ~~The~~ Effective date of the contract and the terms thereof the contract; and
- ~~(h)~~h. ~~A~~ Brief general description of the risks insured against and the property insured.

4.6. Responsibilities of the excess line broker. -- Each licensed excess line broker who participates directly or indirectly in effecting any insurance contract on an excess line basis:

- ~~(a)~~a. In no instance shall knowingly place any coverage in an insolvent insurer, in accordance with the provisions of ~~West Virginia Code, section twenty-two, article twelve, chapter thirty-three~~ W. Va. Code § 33-12-22;

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~~(b)~~b. May accept and place authorized excess line business from any insurance agent or broker licensed in this State for the kind of insurance involved, and may compensate ~~such the~~ agent or broker ~~thereof the insurance~~. The excess line broker ~~shall have~~ has the right to receive from the excess line insurer the customary commission, in accordance with the provisions of ~~West Virginia Code, section fourteen, article twelve, chapter thirty three~~ W. Va. Code § 33-12-14; and

~~(c)~~c. In those instances in which excess line business is produced to an excess line broker by an agent or broker licensed in this State for the kind of insurance involved, it ~~remains is~~ the excess line broker's responsibility to ~~make include~~ the necessary ~~filing of the Form Leb 3, as revised information in the Annual Report of Written Excess Line Policies required by Section 4.4 of this rule and the Annual Excess Line Tax Return Reconciliation Form Leb-4A, as required by Section 5.1 of this rule.~~

4.7. Excess line insurance valid. -- In accordance with the provisions of ~~West Virginia Code, section twelve, article twelve, chapter thirty three~~ W. Va. Code § 33-12-12, any insurance contract procured as excess line coverage from an excess line insurer shall be fully valid and enforceable as to all parties, and shall be given recognition in all matters and respects to the same effect as like contracts issued by licensed insurers.

§ 114-20-5. Excess line premium tax annual return and report by broker.

5.1. Reporting of premiums placed and taxed. -- Each excess line broker licensed in accordance with the provisions of this ~~regulation rule~~ and ~~West Virginia Code, section thirteen, article twelve, chapter thirty three~~ W. Va. Code § 33-12-13, shall make under oath to the Commissioner, a quarterly return on or before the twenty-fifth day of the month succeeding the close of the quarter and an annually reconciliation return, under oath, on or before the first day of March, to the Commissioner, of the gross amount of premium charged the insured by excess line insurers for

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insurance procured by ~~such~~ the licensee, including any so-called dividends on participating insurance policies applied in reduction of premiums, less premiums returnable for cancellation. ~~Such returns shall be reported by the~~ The Excess Lines Broker shall complete the Quarterly Excess Line Tax Return, Form Leb-4 and Annual Excess Line Tax Return Reconciliation Broker's Annual Statement Form Leb-4A, as revised, prepared and supplied by the Commissioner.

5.2. Payment of excess line premium taxes. -- ~~The annual tax required to be paid under the provisions of this regulation rule shall be a sum equal to that in accordance with the provisions of West Virginia Code, section sixteen, article twelve, chapter thirty three and section sixteen a, article twelve, chapter thirty three W. Va. Code § 33-12-16(a), and shall be paid to the Commissioner on a calendar year basis and in quarterly estimated installments due and payable on or before the twenty-fifth day of the month succeeding the close of the quarter in which they accrued, except for the fourth quarter. For the fourth quarter, the taxes shall be due and payable and final computation of the actual total liability for the prior calendar year shall be made, less credit for the three quarterly estimated payments on or before the first day of March. All such the taxes paid to the Commissioner shall be paid by him or her into a special account in the state treasury, for the benefit of the state fund designated the "municipal pensions and protection fund," and after appropriation by the Legislature, shall be distributed in accordance with the provisions of W. Va. Code § 33-3-14d(c) unless otherwise required by the Code of West Virginia of 1931, as amended.~~

§ 114-20-6. Separability.

6.1. Partial invalidity. -- If any provision of this ~~regulation rule~~ is held invalid, the remainder of this ~~regulation rule~~ shall not be affected thereby.



STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner

Legal Division

GASTON CAPERTON
Governor

HANLEY C. CLARK
Insurance Commissioner

April 2, 1996

HAND DELIVERED

Ms. Judy Cooper, Director
Administrative Law Division
Office of Secretary of State
State Capitol
Charleston, West Virginia 25305

Dear Ms. Cooper:

Attached for filing with your office is the "final filing" form for the rule Series 20 titled "Excess Line Brokers." This rule was authorized in Senate Bill 171 and passed by the Legislature on March 7, 1996.

We are also providing your office with a computer disk containing the aforementioned rule and a hard copy of the promulgation history of that rule. The filing date and effective date have already been inserted onto the computer disk.

If you have any questions about the enclosed forms or the computer disk, please do not hesitate to call me.

Sincerely,

B. Keith Huffman
General Counsel

BKH/sar
Attachment

6574

H. B. 4259

(By Delegates Douglas, Gallagher, Faircloth, Compton,
Linch and Riggs)

(Introduced January 29, 1996 ; referred to the
Committee on Banking and Insurance then the Judiciary)

119-20

A BILL to amend and reenact section four, article seven,
chapter sixty-four of the code of West Virginia, one
thousand nine hundred thirty-one, as amended, relating
to authorizing the insurance commissioner to
promulgate legislative rules relating to excess line
brokers.

Be it enacted by the Legislature of West Virginia:

That section four, article seven, chapter sixty-four
of the code of West Virginia, one thousand nine hundred
thirty-one, as amended, be amended and reenacted, to read
as follows:

**ARTICLE 7. AUTHORIZATION FOR DEPARTMENT OF TAX AND REVENUE
TO PROMULGATE LEGISLATIVE RULES.**

§64-7-4. Insurance commissioner.

(a) The legislative rules filed in the state register

4259

1 on the seventeenth day of August, one thousand nine hundred
2 ninety-three, authorized under the authority of sections
3 four and five, article twenty-eight, chapter thirty-three,
4 of this code, modified by the insurance commissioner to
5 meet the objections of the legislative rule-making review
6 committee and refiled in the state register on the
7 seventeenth day of June, one thousand nine hundred
8 ninety-four, relating to the insurance commissioner
9 (individual accident and sickness insurance minimum
10 standards, 114 CSR 12), are authorized.

11 (b) The legislative rules filed in the state register
12 on the fifteenth day of August, one thousand nine hundred
13 ninety-four, authorized under the authority of section ten,
14 article two, chapter thirty-three, of this code, modified
15 by the insurance commissioner to meet the objections of the
16 legislative rule-making review committee and refiled in the
17 state register on the twenty-eighth day of November, one
18 thousand nine hundred ninety-four, relating to the
19 insurance commissioner (regulation of credit life insurance
20 and credit accident and sickness insurance, 114 CSR 6), are
21 authorized.

22 (c) The legislative rules filed in the state register
23 on the twelfth day of August, one thousand nine hundred
24 ninety-four, authorized under the authority of section ten,

1 article two, chapter thirty-three, of this code, modified
2 by the insurance commissioner to meet the objections of the
3 legislative rule-making review committee and refiled in the
4 state register on the twenty-third day of November, one
5 thousand nine hundred ninety-four, relating to the
6 insurance commissioner (credit for reinsurance, 114 CSR
7 40), are authorized.

8 (d) The legislative rules filed in the state register
9 on the twenty-eighth day of July, one thousand nine hundred
10 ninety-five, authorized under the authority of section
11 eleven, article twelve, chapter thirty-three, of this code,
12 modified by the insurance commissioner to meet the
13 objections of the legislative rule-making review committee
14 and refiled in the state register on the twenty-seventh day
15 of November, one thousand nine hundred ninety-five,
16 relating to the insurance commissioner (excess line
17 brokers, 114 CSR 20), are authorized.

18

19 NOTE: The purpose of this bill is to authorize the
20 Insurance Commissioner to promulgate legislative rules
21 relating to excess line brokers.

22

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

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SENATE BILL NO. 189

(By Senators Ross, Anderson, Boley,
Buckalew, Grubb and Macnaughtan)

[Introduced January 29, 1996; referred
to the Committee on

BANKING AND INSURANCE

THE JUDICIARY

114-20

10 A BILL to amend and reenact section four, article seven,
11 chapter sixty-four of the code of West Virginia, one
12 thousand nine hundred thirty-one, as amended, relating
13 to authorizing the insurance commissioner to
14 promulgate legislative rules relating to excess line
15 brokers.

16 Be it enacted by the Legislature of West Virginia:

17 That section four, article seven, chapter sixty-four
18 of the code of West Virginia, one thousand nine hundred
19 thirty-one, as amended, be amended and reenacted, to read
20 as follows:

21 **ARTICLE 7. AUTHORIZATION FOR DEPARTMENT OF TAX AND REVENUE**
22 **TO PROMULGATE LEGISLATIVE RULES.**

23 **§64-7-4. Insurance commissioner.**

24 (a) The legislative rules filed in the state register

1 on the seventeenth day of August, one thousand nine hundred
2 ninety-three, authorized under the authority of sections
3 four and five, article twenty-eight, chapter thirty-three,
4 of this code, modified by the insurance commissioner to
5 meet the objections of the legislative rule-making review
6 committee and refiled in the state register on the
7 seventeenth day of June, one thousand nine hundred
8 ninety-four, relating to the insurance commissioner
9 (individual accident and sickness insurance minimum
10 standards, 114 CSR 12), are authorized.

11 (b) The legislative rules filed in the state register
12 on the fifteenth day of August, one thousand nine hundred
13 ninety-four, authorized under the authority of section ten,
14 article two, chapter thirty-three, of this code, modified
15 by the insurance commissioner to meet the objections of the
16 legislative rule-making review committee and refiled in the
17 state register on the twenty-eighth day of November, one
18 thousand nine hundred ninety-four, relating to the
19 insurance commissioner (regulation of credit life insurance
20 and credit accident and sickness insurance, 114 CSR 6), are
21 authorized.

22 (c) The legislative rules filed in the state register
23 on the twelfth day of August, one thousand nine hundred
24 ninety-four, authorized under the authority of section ten,

1 article two, chapter thirty-three, of this code, modified
2 by the insurance commissioner to meet the objections of the
3 legislative rule-making review committee and refiled in the
4 state register on the twenty-third day of November, one
5 thousand nine hundred ninety-four, relating to the
6 insurance commissioner (credit for reinsurance, 114 CSR
7 40), are authorized.

8 (d) The legislative rules filed in the state register
9 on the twenty-eighth day of July, one thousand nine hundred
10 ninety-five, authorized under the authority of section
11 eleven, article twelve, chapter thirty-three, of this code,
12 modified by the insurance commissioner to meet the
13 objections of the legislative rule-making review committee
14 and refiled in the state register on the twenty-seventh day
15 of November, one thousand nine hundred ninety-five,
16 relating to the insurance commissioner (excess line
17 brokers, 114 CSR 20), are authorized.

18

19 NOTE: The purpose of this bill is to authorize the
20 Insurance Commissioner to promulgate legislative rules
21 relating to excess line brokers.

22

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

KEN HECHLER
Secretary of State

MARY P. RATLIFF
Deputy Secretary of State

STEPHEN N. REED
Deputy Secretary of State

CATHERINE FREROTTE
Executive Assistant

Telephone: (304) 558-6000
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WILLIAM H. HARRINGTON
Chief of Staff

JUDY COOPER
Director, Administrative Law

PENNEY BARKER
Supervisor, Corporations

STATE OF WEST VIRGINIA

SECRETARY OF STATE

Building 1, Suite 157-K
1900 Kanawha Blvd., East
Charleston, WV 25305-0770

(Plus all the volunteer help we can get)

RECEIVED

APR 23 1996

LEGAL DIVISION
W. VA. INS. DEPT.

TO: Donna S. Ouensenbery

AGENCY: Insurance Commission

FROM: JUDY COOPER, DIRECTOR, ADMINISTRATIVE LAW DIVISION

DATE: April 19, 1996

THE ATTACHED RULE FILED BY YOUR AGENCY HAS BEEN ENTERED INTO OUR COMPUTER SYSTEM. PLEASE REVIEW, PROOF AND RETURN IT WITH ANY CORRECTIONS. IF THERE ARE NO CORRECTIONS, PLEASE SIGN THIS MEMO AND RETURN IT TO THIS OFFICE. YOU WILL BE SENT A FINAL VERSION OF THE RULE FOR YOUR RECORDS.

PLEASE RETURN EITHER THE CORRECTED RULE OR THIS FORM WITHIN TEN (10) WORKING DAYS OF THE DATE YOU RECEIVED THIS REQUEST. CALL IF YOU HAVE ANY QUESTIONS.

SERIES: 20 TITLE: 114 Insurance Commission

* THE ATTACHED RULE HAS BEEN REVIEWED AND IS CORRECT.

SIGNED: _____

TITLE OF PERSON SIGNING: _____

DATE: _____

* THE ATTACHED RULE HAS BEEN REVIEWED AND NEEDS CORRECTING. THE CORRECTIONS HAVE BEEN MARKED.

SIGNED: Donna S. Ouensenbery

TITLE OF PERSON SIGNING: Associate Counsel

DATE: 5/10/96

NOTE: IF YOU ARE NOT THE PERSON WHO HANDLES THIS RULE, PLEASE FORWARD TO THE CORRECT PERSON.

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

MAY 13 2 42 PM '96

FILED

KEN HECHLER
Secretary of State

MARY P. RATLIFF
Deputy Secretary of State

STEPHEN N. REED
Deputy Secretary of State

CATHERINE FREROTTE
Executive Assistant

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STATE OF WEST VIRGINIA

SECRETARY OF STATE

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(Plus all the volunteer
help we can get)

March 12, 1996

Donna S Quesenberry
Insurance
PO Box 50540
2019 Washington Street East
Charleston, WV 25305-0540

SB 171 authorizing, Title 114, Series 20, Regulation Relating to Excess Line Brokers passed the Legislature on **March 7, 1996**. It is now awaiting the Governor's signature.

You have sixty (60) days after the Governor signs **SB 171** to final file the legislative rule with the Secretary of State's office. To final file your legislative rule, fill in the blanks on the enclosed form #6, the "Final Filing" form and file the form with our office with a promulgation history of the rule. Authorization for your legislative rule is cited in **SB 171 Section 64-7-3(c)**. The agency may set the effective date of the legislative rule up to ninety (90) days from the date the legislative rule is final filed with the Secretary of State's office. Please have an authorized signature on the bottom line.

*****IMPORTANT: IF YOUR AGENCY HAS COMPLETED THE LEGISLATIVE RULE ON A WORD PERFECT OR WORD PERFECT COMPATIBLE COMPUTER SYSTEM THAT USES A 3 1/2" DISK, YOU MUST SUBMIT A CLEAN COPY WITH ALL UNDERLINING AND STRIKE-THROUGHS, HEADERS OR FOOTERS REMOVED, TO OUR OFFICE WHEN FINAL FILING THE RULE. REMEMBER, THE TEXT OF THE COMPUTER FILED RULE MUST BE IDENTICAL - WORD FOR WORD, COMMA FOR COMMA, WITH ALL UNDERLINING, STRIKE-THROUGHS, HEADERS OR FOOTERS REMOVED, AS THE HARD COPY AUTHORIZED BY THE LEGISLATURE. NOTICE: ALL ELECTRONIC FILINGS NOT COMPLYING WITH THIS WILL BE REJECTED AND SENT BACK TO THE AGENCY TO BE RESUBMITTED!**

After the final rule is entered into the data base, the rule will be sent back to the agency for review and proofing. The agency has ten (10) working days to send a confirmation or corrections to the Secretary of States. If the agency fails to return this within ten (10) working days, the rule will be filed in the data base with a disclaimer attached stating that the agency failed to review the rule. Following confirmation, corrections or failure to review, as the case may be, the Secretary of State shall submit to the agency a final version of the rule for their records.

If you have any questions or need any assistance, please do not hesitate to contact our office.

Thank you,
Administrative Law Division