

**WEST VIRGINIA**  
**SECRETARY OF STATE**  
KEN HECHLER  
**ADMINISTRATIVE LAW DIVISION**

Form #2

DO NOT WRITE IN THIS AREA

**FILED**

Jul 9 3 53 PM '93

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

**NOTICE OF A COMMENT PERIOD ON A PROPOSED RULE**

AGENCY: Insurance Commissioner TITLE NUMBER: 114  
RULE TYPE: Legislative; CITE AUTHORITY WV Code §§ 33-2-10, 33-3-13 (33-3-16, 33-32-4(e) and (f) 33-32-17(e))  
AMENDMENT TO AN EXISTING RULE: YES  NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: Series 34

TITLE OF RULE BEING AMENDED: Filing Fees for Purchasing Groups, and for Risk Retention Groups Not Chartered in this State

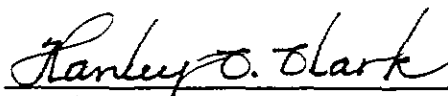
IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: \_\_\_\_\_

TITLE OF RULE BEING PROPOSED: \_\_\_\_\_

IN LIEU OF A PUBLIC HEARING, A COMMENT PERIOD HAS BEEN ESTABLISHED DURING WHICH ANY INTERESTED PERSON MAY SEND COMMENTS CONCERNING THESE PROPOSED RULES. THIS COMMENT PERIOD WILL END ON August 9, 1993 AT 4:30 p.m. EDT. ONLY WRITTEN COMMENTS WILL BE ACCEPTED AND ARE TO BE MAILED TO THE FOLLOWING ADDRESS.

Linda Gay, Associate Counsel  
Office of the Insurance Commissioner  
2019 Washington Street, East  
P. O. Box 50540  
Charleston, WV 25305-0540

THE ISSUES TO BE HEARD SHALL BE LIMITED TO THIS PROPOSED RULE.

  
Hanley C. Clark  
Insurance Commissioner

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL



STATE OF WEST VIRGINIA  
Offices of the Insurance Commissioner

Legal Division

GASTON CAPERTON  
Governor

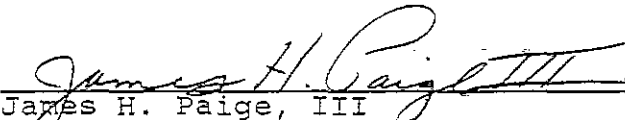
HANLEY C. CLARK  
Insurance Commissioner

CONSENT TO PROPOSAL OF RULE

To Whom It May Concern:

Pursuant to West Virginia Code § 5F-2-2(a)(12), the undersigned hereby grants consent to the proposal of the following rule proposed by the Insurance Commissioner of the State of West Virginia: Title 114, Series 34, relating to Filing Fees for Purchasing Groups, and for Risk Retention Groups Not Chartered in this state.

Signed this 8<sup>th</sup> day of July, 1993.

  
James H. Paige, III  
Secretary of Tax and Revenue

**APPENDIX B**

**FISCAL NOTE FOR PROPOSED RULES**

**Rule Title:** Filing Fees for Purchasing Groups, and for Risk Retention Groups Not Chartered in this State (Title 114, Series 34)

**Type of Rule:** X Legislative      Interpretive      Procedural

**Agency** Insurance Commissioner

**Address** 2019 Washington Street, East  
P. O. Box 50540  
Charleston, WV 25305-0540

**1. Effect of Proposed Rule**

	ANNUAL FISCAL YEAR				
	INCREASE	DECREASE	CURRENT	NEXT	THEREAFTER
<u>ESTIMATED TOTAL COST</u>	\$ NONE	\$ NONE	\$ NONE	\$ NONE	\$ NONE
PERSONAL SERVICES					
CURRENT EXPENSE					
REPAIRS & ALTERNATIONS					
EQUIPMENT					
OTHER					

**2. Explanation of above estimates:**

The proposed rule will have no cost impact on state, local or federal government.

**3. Objectives of these rules:**

The objectives of this rule are to require purchasing groups and out-of-state risk retention groups to pay registration fees and, in the case of such risk retention groups, to pay annual statement filing fees to the Insurance Commissioner, as required by Article 32, Chapter 33 of the West Virginia Code.

Rule Title: Filing Fees for Purchasing Groups, and for Risk Retention Groups Not Chartered in this State (Title 114, Series 34)

4. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

Implementation of this rule should allow the Insurance Commissioner to collect approximately \$15,000 in fees annually, to help defray the administrative costs of processing registrations and annual financial statements.

B. Economic Impact on Political Subdivisions; Specific Industries; Specific groups of Citizens.

Purchasing groups and risk retention groups, which are part of the insurance industry, will have to pay reasonable fees comparable to those charged in other states in order to register and/or file annual statements with the Commissioner.

C. Economic Impact on Citizens/Public at Large.

The rule will have no economic impact on citizens or the public at large.

Date: July 8, 1993

Signature of Agency Head or Authorized Representative

Hanley C. Clark

Hanley C. Clark  
Insurance Commissioner

Insurance Commissioner  
Legislative Rule  
Title 114, Series 34

**FILING FEES FOR PURCHASING GROUPS, AND FOR RISK  
RETENTION GROUPS NOT CHARTERED IN THIS STATE**

Title 114, Series 34

**BRIEF SUMMARY OF RULE**

This proposed rule implements the provisions of West Virginia Code §§ 33-32-4 and 33-32-17, which require registration with the Insurance Commissioner of all purchasing groups, and risk retention groups not chartered in West Virginia. The Commissioner is statutorily required to assess registration and filing fees which are designated for use in the operation of the Insurance Department. This rule imposes a \$200 registration processing fee for such purchasing groups and risk retention groups, and a \$100 annual financial statement filing fee for such risk retention groups.

The rule also requires submission of a \$50 fee upon the filing of any registration materials modification by either type of the aforementioned entities. The proposed rule amends the language of Subsection 2.2 of the existing rule, which took effect June 18, 1993, to state that the \$50 registration materials modification fee must be paid by each purchasing group and out-of-state risk retention group already registered to do business here.

114CSR34

TITLE 114  
LEGISLATIVE RULE  
INSURANCE COMMISSIONER

SERIES 34  
FILING FEES FOR PURCHASING GROUPS, AND FOR  
RISK RETENTION GROUPS NOT CHARTERED IN THIS STATE

Section

- 114-34-1. General
- 114-34-2. Registration Fees for Purchasing Groups, and for Risk Retention Groups Not Chartered in this State
- 114-34-3. Annual Financial Statement Filing Fees for Risk Retention Groups Not Chartered in this State
- 114-34-4. Retaliatory Fee Increases for Risk Retention Groups Not Chartered in this State
- 114-34-5. Fees Designated for Insurance Department Operation
- 114-34-6. Severability

114CSR34

TITLE 114  
LEGISLATIVE RULE  
INSURANCE COMMISSIONER

SERIES 34

FILING FEES FOR PURCHASING GROUPS, AND FOR  
RISK RETENTION GROUPS NOT CHARTERED IN THIS STATE

**FILED**  
Jul 9 3 53 PM '93  
OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

§ 114-34-1. General

1.1. Scope. -- This legislative rule implements the provisions of West Virginia Code §§ 33-32-17 and 33-32-4 relating to all purchasing groups, and to risk retention groups not chartered in this State. The rule establishes the amounts of registration fees to be paid by both types of entities, as well as the amounts of annual financial statement filing fees to be paid by such risk retention groups. It also provides for increases in the aforementioned fees for risk retention groups chartered in other jurisdictions that impose higher analogous fees on risk retention groups domiciled in West Virginia.

1.2. Authority. -- West Virginia Code §§ 33-2-10, 33-3-13(b), 33-3-16(a), 33-32-4(e) and (f), and 33-32-17(e)

1.3. Filing Date. --

1.4. Effective Date. ---

§ 114-34-2. Registration Fees for Purchasing Groups, and for Risk Retention Groups Not Chartered in this State

2.1. Each purchasing group seeking to do business in this State, and each risk retention group not chartered in this State but seeking to do business in West Virginia, shall remit a two hundred dollar (\$200) processing fee upon the initial filing of registration materials with the Insurance Commissioner.

2.2. ~~Each insuring entity described in Section 2.1 above~~  
Each purchasing group already registered to do business in West Virginia, and each risk retention group not chartered in this state but already registered to do business here shall remit a fifty dollar (\$50) processing fee upon the filing of any registration materials modification with the Insurance Commissioner.

§ 114-34-3. Annual Financial Statement Filing Fees for Risk Retention Groups Not Chartered in this State

Each risk retention group not chartered in this State, but registered or seeking to register with the Insurance Commissioner to do business as a risk retention group in West Virginia, shall remit a one hundred dollar (\$100) fee upon

**Insurance Commission  
Legislative Rule  
Title 114, Series 34**

filing with the Commissioner its annual financial statement required by West Virginia Code § 33-32-4(e)(1).

**§ 114-34-4. Retaliatory Fee Increases for Risk Retention Groups Not Chartered in this State**

As provided in West Virginia Code § 33-3-16(a), when another state charges a higher fee to West Virginia-domiciled risk retention groups than a fee set in Section 2 or 3 of this rule, a risk retention group chartered in that state and doing business or seeking to do business in West Virginia shall remit to the Insurance Commissioner the higher fee equivalent to the registration fee or annual statement filing fee, or its counterpart, which the other state charges to West Virginia-domiciled risk retention groups.

**§ 114-34-5. Fees Designated for Insurance Department Operation**

All fees remitted by purchasing groups, and by risk retention groups not chartered in this State, pursuant to this rule are designated by West Virginia Code § 33-3-13(b) for use by the Insurance Commissioner in operating the Insurance Department of this State.

**§ 114-34-6. Severability**

If any provision of this rule or the application thereof to any person or circumstance is for any reason held to be invalid, the remainder of the rule and the application of such provision to other persons or circumstances shall not be affected thereby.



STATE OF WEST VIRGINIA  
Offices of the Insurance Commissioner

Legal Division

GASTON CAPERTON  
Governor

HANLEY C. CLARK  
Insurance Commissioner

July 9, 1993

HAND DELIVERED

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

Dear Ms. Cooper:

Enclosed please find for filing one (1) copy of each of the following:

- 1) Notice of a Comment Period on a Proposed Rule;
- 2) Brief Summary of the Rule;
- 3) Consent to Proposed Rule;
- 4) Fiscal Note;
- 5) The Insurance Commissioner's proposed legislative rule entitled "Filing Fees for Purchasing Groups, and for Risk Retention Groups Not Chartered in this State."

Please contact me if further information is required.

Very truly yours,

*Linda Gay*  
Linda Gay  
Associate Counsel

LG/sar  
Enclosures

FILED  
JUL 9 3 50 PM '93  
OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE