



STATE OF WEST VIRGINIA
Offices of the Insurance Commissioner

Legal Division

GASTON CAPERTON
Governor

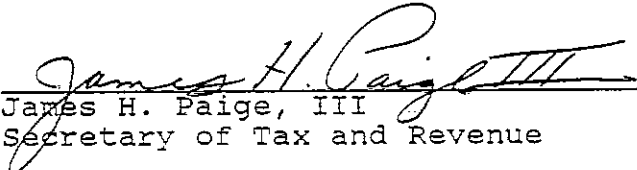
HANLEY C. CLARK
Insurance Commissioner

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 8th day of July, 1993.


James H. Paige, III
Secretary of Tax and Revenue

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 AND
DETAILED STATEMENT OF CIRCUMSTANCES
REQUIRING PROPOSED LEGISLATIVE 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 certain annual statement filing fees, which are designated for use in the operation of the Insurance Department, upon such groups. 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 currently being proposed amends Subsection 2.2 of the existing rule, which provides that "each insuring entity" governed thereby must pay a \$50 fee any time it files a modification of its registration materials with the Insurance Commissioner. In early July 1993, the Insurance Commissioner received correspondence from a Chicago-based purchasing group, contending that the group was not required to pay the \$50 registration materials modification fee addressed in Subsection 2.2 of the existing rule. This argument was based on the language in Subsection 2.2 which requires "each insuring entity" governed by the rule to pay this \$50 fee.

The purchasing group noted that it was not an "insuring entity," i.e., a provider of insurance, but instead a purchaser of insurance. The Insurance Commissioner has adopted the instant rule to clarify this language, by specifying in amended Subsection 2.2 that: "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 (\$50) dollar processing fee upon the filing of any registration materials modification with the Insurance Commissioner." This amendment is the only difference between the existing rule and this agency-approved rule.

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: 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	HEREAFTER
<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

DATE: AUGUST 15, 1993

TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

FROM: OFFICE OF THE INSURANCE COMMISSIONER

LEGISLATIVE RULE TITLE: Filing Fees for Purchasing Groups, and for Risk Retention Groups Not Chartered in this State (Title 114, Series 3)

1. Authorizing statute(s) citation 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)

2. a. Date filed in State Register with Notice of Hearing July 9, 1993

b. What other notice, including advertising, did you give of the hearing?
None

c. Date of Hearing(s) The public comment period, held in lieu of a hearing, ended on August 9, 1993 at 4:30 p.m. EDT.

d. Attach list of persons who appeared at hearing, comments received, amendments, reasons for amendments.
Attached _____ No comments received x

e. Date you filed in State Register the agency approved proposed Legislative Rule following public hearing: (be exact)
August 16, 1993

f. Name and phone number(s) of agency person(s) to contact for additional information:
Linda Gay
Associate Counsel, Office of the Insurance Commissioner
(304) 558-0401

3. If the statute under which you promulgated the submitted rules requires certain findings and determinations to be made as a condition precedent to their promulgation:

a. Give the date upon which you filed in the State Register a notice of the time and place of a hearing for the taking of evidence and a general description of the issues to be decided.

Not applicable

b. Date of hearing: Not applicable

c. On what date did you file in the State Register the findings and determinations required together with the reasons therefor?

Not applicable

d. Attach findings and determinations and reasons:

Attached Not applicable

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

FILED

TITLE 114
LEGISLATIVE RULE
INSURANCE COMMISSIONER

AUG 16 5 05 PM '93

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

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

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

August 16, 1993

HANLEY C. CLARK
Insurance Commissioner

HAND-DELIVERED

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

Dear Ms. Cooper:

Enclosed please find copies of the following documents for filing:

- (1) The agency-approved rule entitled "Filing Fees for Purchasing Groups, and for Risk Retention Groups Not Chartered in this State" (Title 114, Series 34);
- (2) The fiscal note for this proposed rule;
- (3) The Notice of Agency Approval of a Proposed Rule and Filing with the Legislative Rule-Making Review Committee;
- (4) A brief summary of the rule, combined with a detailed statement of the circumstances which require the proposed legislative rule;
- (5) The consent for the proposed rule, signed by Tax and Revenue Secretary James H. Paige, III; and
- (6) The completed Legislative Rule-Making Review Committee Questionnaire regarding this rule.

A public comment period was held on this rule in lieu of a public hearing. No written comments regarding the proposed rule were received during that comment period.

Please contact me if further information is required.

Very truly yours,

Linda Gay
Linda Gay
Associate Counsel

LG/sar
Enclosures