

**WEST VIRGINIA**  
**SECRETARY OF STATE**

**KEN HECHLER**

**ADMINISTRATIVE LAW DIVISION**

Form #2

FILED

1992 AUG 10 AM 8 33

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: West Virginia Code Sections 33-2-10, 33-3-13(b), 33-3-16, 33-32-4(e) and (f), and 33-32-17  
AMENDMENT TO AN EXISTING RULE: YES \_\_\_ NO X

IF YES, SERIES NUMBER OF RULE BEING AMENDED: \_\_\_\_\_

TITLE OF RULE BEING AMENDED: \_\_\_\_\_

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: Series 34

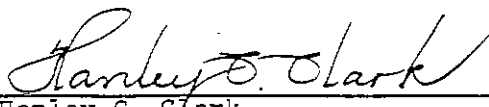
TITLE OF RULE BEING PROPOSED: Filing Fees for Purchasing Groups, and for Risk Retention Groups Not Chartered in this State

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 September 11, 1992 AT 4:30 P.M.

ONLY WRITTEN COMMENTS WILL BE ACCEPTED AND ARE TO BE MAILED TO THE FOLLOWING ADDRESS.

B. Keith Huffman, General Counsel  
Office of the Insurance Commissioner  
Post Office Box 50540  
2019 Washington Street, East  
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

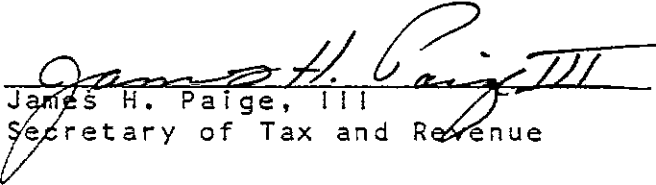
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CONSENT TO PROPOSAL OF RULE

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, Filing Fees for Purchasing Groups, and for Risk Retention Groups Not Chartered in West Virginia.

Dated this 30 day of July, 1992.

  
James H. Paige, III  
Secretary of Tax and Revenue

Insurance Commissioner  
Legislative Rule  
Title 114, Series 34  
EMERGENCY

**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 emergency rule implements the provisions of West Virginia Code §§ 33-32-4 and 33-32-17, which require the registration of all purchasing groups, and risk retention groups not chartered in West Virginia. The Insurance Commissioner is statutorily required to assess such 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. It also requires submission of a \$50 fee upon the filing of any registration materials modification by either type of the aforementioned entities.

TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

FROM: OFFICE OF THE INSURANCE COMMISSIONER

DATE: August 7, 1992

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

(Title 114, Series 34)

1. Date of filing: August 7, 1992

2. Statutory authority for promulgating the emergency rule:  
West Virginia Code §§ 33-2-10, 33-3-13(b), 33-3-16, 33-32-4(e) and 33-32-17(e)

3. Date of filing of proposed legislative rule: August 7, 1992

4. Does the emergency rule adopt new language or does it amend or repeal a current legislative rule?

Adopts new language.

5. Has the same or similar emergency rule previously been filed and expired?

No

6. State, with particularity, those facts and circumstances which make the emergency rule necessary for the immediate preservation of public peace, health, safety or welfare.

The Insurance Department needs the additional revenue to be generated by this rule, to subsidize its regulatory activities that protect the public against such industry ills as financially impaired insurers, unauthorized insurers and unscrupulous insurance agents. Also, under state law the funds generated by this rule will be shared with the Governor's Health Care Planning Commission and the Office of Consumer Advocacy. Both of those entities were created to mitigate the health care crisis in West Virginia.

7. If the emergency rule was promulgated in order to comply with a time limit established by the Code or federal statute or regulation, cite the Code provision, federal statute or regulation and time limit established therein.

West Virginia Code §§ 33-32-4 and 33-32-17 as amended by House Bill 4666 require that this rule take effect as soon as possible following the July 1, 1992 effective date of House Bill 4666. Until this proposed fee-setting rule takes effect, the Insurance Commissioner will be unable to collect the filing fees mandated by the 1992 amendments to the aforementioned statutes.

8. State, with particularity, those facts and circumstances which make the emergency rule necessary to prevent substantial harm to the public interest.

See Question 6 on the previous page.

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: XX Legislative \_\_\_\_\_ Interpretive \_\_\_\_\_ Procedural

Agency: Insurance Commissioner Address: Post Office Box 50540  
2019 Washington Street, East,  
Charleston, WV 25305-0540

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1. Effect of Proposed Rule	ANNUAL		FISCAL YEAR	
	Increase	Decrease	Current	Next Thereafter
Estimated Total Cost	NONE			
Personal Services				
Current Expense				
Repairs & Alterations	NONE			
Equipment				
Other				

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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 objective of this rule is to implement filing fee requirements for purchasing groups and risk retention groups not chartered in this State, as required by Article 32, Chapter 33 of the West Virginia Code as amended by the 1992 Legislature.

4. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic impact on State Government.

Implementation of this rule should allow the Commissioner to collect approximately \$60,000.00 in filing fees annually.

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

NONE

C. Economic Impact on Citizens/Public at Large.

NONE

Date: Aug. 7, 1992

Signature of Agency Head or Authorized Representative.

Hanley C. Clark  
Hanley C. Clark  
Insurance Commissioner

114CSR34

EMERGENCY  
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.           Separability



EMERGENCY  
TITLE 114  
LEGISLATIVE RULE  
INSURANCE COMMISSIONER

SERIES 34  
FILING FEES FOR PURCHASING GROUPS, AND FOR  
RISK RETENTION GROUPS NOT CHARTERED IN THIS 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 entity described in Section 2.1 above 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).

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

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

The retaliatory provisions of West Virginia Code § 33-3-16(a) apply to risk retention groups chartered in other jurisdictions that impose registration fees and annual financial statement filing fees upon West Virginia-domiciled risk retention groups that are higher than the analogous fees imposed by this rule upon foreign risk retention groups doing business or seeking to do business in West Virginia. Therefore, a risk retention group chartered in a jurisdiction imposing such higher fees upon West Virginia-domiciled risk retention groups shall remit to the Insurance Commissioner fees equivalent to the registration fees and annual statement filing fees, or their counterparts, imposed by its domiciliary jurisdiction upon a risk retention group chartered in West Virginia and doing business or seeking to do business in its domiciliary jurisdiction.

**§ 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. Separability**

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.