

Form #2

~~OFFICE WEST VIRGINIA~~
SECRETARY OF STATE

LIMITED TO THIS PROPOSED RULE.

Charles E. Jones Jr.
Authorized Signature

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

□
APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

TITLE 115
SERIES 2

Rule Title: Public Entities Insurance Program

Type of Rule: X Legislative Interpretive Procedural

Agency: WV Board of Risk & Insurance Management

Address: 90 MacCorkle Avenue, S.W.

Suite 203

South Charleston, WV 25303

1. Effect of Proposed rule:

	ANNUAL FISCAL YEAR				
	INCREASE	DECREASE	CURRENT	NEXT	THEREAFTER
ESTIMATED TOTAL COST	15,000		15,000	5,000	5,000
PERSONAL SERVICES	-----				
CURRENT EXPENSE	-----				
REPAIRS & ALTERATIONS	-----				
EQUIPMENT	-----				
OTHER	15,000		15,000	5,000	5,000

2. Explanation of Above Estimates:

The only estimated increase in expenses to BRIM would be an actuarial analysis to develop rating criteria for these entities and programming changes to our premium calculation.

3. Objectives of These Rules:

Rule Title: Public Entities Insurance Program

4. Explanation of Overall Economic Impact of Proposed Rule:

A. Economic Impact on State Government:
See above.

B. Economic Impact on Political Subdivisions; Specific Industries; Specific Groups of Citizens: None

C. Economic Impact on Citizens/Public at Large.
None

Date: 6/25/03

Signature of Agency Head or Authorized Representative:

Charles E. Jones Jr.

Signature of Cabinet Secretary

[Signature]

115 CSR 2

**TITLE 115
BOARD OF RISK AND INSURANCE MANAGEMENT**

**SERIES 2
PUBLIC ENTITIES INSURANCE PROGRAM**

STATEMENT OF CIRCUMSTANCES REQUIRING THIS RULE

In 1986, the West Virginia Legislature determined that a need existed for the Board of Risk and Insurance Management to make liability and property insurance available to political subdivisions and charitable or public service organizations. The legislature has since determined a need to create and expand the entities to which coverages are available.

Senate Bill 3, (May 22, 1986) and House Bill 2122, (March 8, 2003) House Bill 4581 (March 7, 2002) modified W.Va. Code § 29-12-1, et seq., to permit the Board of Risk and Insurance Management to provide additional insurance coverage to an expanded class of entities.

The purpose of this proposed rule is to modify and clarify existing language to reflect the ability of the Board of Risk and Insurance Management to provide liability and/or property insurance coverage to political subdivisions, charitable or public service organizations and emergency medical service agencies.

115 CSR 2

**TITLE 115
BOARD OF RISK AND INSURANCE MANAGEMENT**

**SERIES 2
PUBLIC ENTITIES INSURANCE PROGRAM**

BRIEF SUMMARY OF PROPOSED RULE

The purpose of this proposed rule is to modify and clarify existing language to reflect the ability of the Board of Risk and Insurance Management to provide liability and/or property insurance coverage for political subdivisions, charitable or public service organizations or emergency medical service agencies. The ability to provide insurance coverage to political subdivisions and charitable or public service organizations was established by Senate Bill 3, (May 22, 1986); and the ability to provide insurance coverage to emergency medical service agencies was established by House Bill 2122, (March 5, 2003); House Bill 4581 (March 7, 2002).

TITLE 115
LEGISLATIVE RULES
BOARD OF RISK AND INSURANCE MANAGEMENT

SERIES 2
PUBLIC ENTITIES INSURANCE PROGRAM

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FILED

TITLE 115
LEGISLATIVE RULES
BOARD OF RISK AND INSURANCE MANAGEMENT

2003 JUN 27 P 3:10

SERIES 2
PUBLIC ENTITIES INSURANCE PROGRAM

OFFICE WEST VIRGINIA
SECRETARY OF STATE

§ 115-2-1. General.

1.1. Scope. -- These rules establish the procedures for the implementing and administering of the Public Entities Insurance Program as established by Senate Bill 3, 1986 and revised by House Bill 2122, (March 8, 2003); House Bill 4581 (March 7, 2002). The purpose of the program is to provide liability coverage and/or property coverage for governmental entities and non-profit organizations (charitable or public service organizations and emergency medical service agencies).

1.2. Authority. -- W. Va. Code §§29-12-1 et seq., 29-12A-1 et seq.,

1.3. Filing Date. -- ~~April 5, 1990~~ _____

1.4. Effective Date. -- ~~April 5, 1990~~ _____

§ 115-2-2. Definitions.

2.1. Board means the ~~West Virginia state~~ Board of ~~R~~isk and ~~I~~nsurance ~~M~~anagement.

2.2. Entity means the political subdivision, charitable or ~~and non-profit~~ public service organizations, and emergency medical service agencies requesting and/or obtaining liability and/or property insurance.

2.3. Agent means a resident property and casualty agent currently licensed as such by the West Virginia Insurance Commission.

2.4. Information Packet means the questionnaire, survey, or any other underwriting data that may be requested by the Board and furnished to the entity and/or agent.

2.5. Fee Agreement means the document and/or agreement provided to the entity or agent for the purpose of paying the agent a service fee.

2.6. Service Fee means the data acquisition cost and/or commission which shall be no greater than eight percent of the annual earned premium charged to the entity.

§ 115-2-3. Designation of Agent of Record.

3.1. Each entity which seeks to procure liability and/or property insurance through the Board pursuant to W. Va. Code §§ 29-12-5, 29-12A-1 et seq., and 33-12-1, shall be required to use a resident licensed property and casualty agent.

3.2. The designation of an agent of record shall be made in writing to the Board either by letter or per a Fee Agreement and signed by the insured entity.

3.3. Failure to comply will result in non-acceptance of an entity or non-renewal of an entity.

3.4. Upon designation of an agent of record an information packet shall be furnished to the agent. The entity seeking insurance and its agent of record shall be jointly responsible for submitting the information packet completed in a manner acceptable to the Board.

3.5. Failure of the agent of record to satisfactorily complete the information packet may result in disciplinary action by the Insurance Commissioner of West Virginia.

3.6. Failure of the agent to satisfactorily complete the information packet shall cause the Board to request that the entity name another agent of record.

§ 115-2-4. Service Fee.

4.1. An amount designated as a Service Fee shall be included in the insurance premium charged to the entity. These moneys may be used to defray administrative expenses incurred as a result of the acquisition of underwriting data by the Board. These moneys may forfeit to the Board to defray expenses incurred by the Board as a result of the submission by the entity and/or agent of record of information and data not completed in a manner acceptable to the Board.

4.2. The Service Fee cost shall be an amount equal to eight percent of the annual earned premium charged the entity for insurance coverage.

§ 115-2-5. Commission of Agent of Record.

5.1. The amount of commission or fee of the agent of record shall be a matter to be resolved between the entity and its agent.

5.2. The commission of the agent of record shall not be more than eight percent of the earned annual premium.

§ 115-2-6. Ineligible Classes.

6.1. The following classes of entities have been determined by the Board to be ineligible for coverage under W. Va. Code § 29-12-5.

6.1.a.

(1) Hospitals - except those owned and operated by political subdivisions already insured with the state program, or critical access hospitals as defined in W.Va. Code §29-12-5b.

(2) Airports and Airport Authorities.

(3) Churches and Religious Organizations.

(4) Fraternal Organizations (i.e. VFW's, American Legions, Elks, Moose, Rotary, Lions Clubs, etc.)

(5) Country Clubs.

(6) Homeowners Associations.

(7) Lobbying Organizations.

(8) Political Organizations.

(9) Any "For Profit" organizations, except emergency medical service agencies as defined in W.Va. Code §29-12-5b.

6.2. If any of the above classes are in the Public Entity Insurance Program, the Board will renew them; however, the Board will not accept any of the above after February 1, 1988.

§ 115-2-7. Rates and Coverages.

7.1. The Board shall determine and establish rates, rate programs, deductibles, and coverages as needed.

~~§ 115-2-8. Advisory Committee.~~

~~8.1. The Board shall establish an advisory committee to assist the Board in identifying insurance problems for various types of entities.~~

§ 115-2-9. Cancellation Provisions.

9.1. The Board shall have the authority to cancel any entity that fails to pay their premium within thirty (30) days of the premium due date.

9.2. The Board shall give an entity a thirty (30) days notice of cancellation for non-payment of premium.



BOB WISE
GOVERNOR

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
OFFICE OF THE CABINET SECRETARY

TOM SUSMAN
ACTING CABINET SECRETARY

June 25, 2003

Via Hand-Delivery

The Honorable Joe Manchin, III
Secretary of State
Building 1, Suite 157K
1900 Kanawha Boulevard, East
Charleston, WV 25305

Re: Legislative Rules

Dear Secretary Manchin,

I am enclosing an original and one copy of the documents listed below for filing. The proposed rules are being filed in regard to Public Entities Insurance Program. I will provide a copy of the enclosed documents to the Legislative Rule Making Review Committee once they are marked filed by your office.

The documents enclosed consist of the following:

1. Notice of Comment Period on a Proposed Rule,
2. Statement of Circumstance and Brief Summary,
3. Proposed Rules, and
4. Fiscal Note for Proposed Rules.

Thank you very much for your assistance. If you have any questions, or need any additional information, please do not hesitate to give me a call.

Sincerely,

A handwritten signature in black ink, appearing to read "Donna M. Prunty".

Donna M. Prunty
Executive Coordinator

DMP:dp
Enclosures
cc: Tom Susman, Acting Cabinet Secretary

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
BOARD OF RISK AND INSURANCE MANAGEMENT



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BOB WISE
GOVERNOR

GREGORY A. BURTON
CABINET SECRETARY

Title 115
Legislative Rules
Board of Risk and Insurance Management

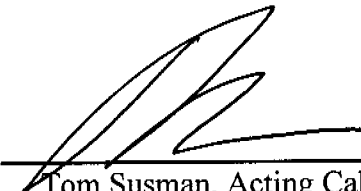
Series 2
Public Entities Insurance Program

**SIGN
HERE**

CONSENT TO FILING

I, Tom Susman, Acting Cabinet Secretary to the Department of Administration,
do hereby consent to the filing of Title 115, Series 2, titled "Public Entities Insurance
Program."

6/26/07
Date


Tom Susman, Acting Cabinet Secretary
Department of Administration