

WEST VIRGINIA
SECRETARY OF STATE

KEN HECHLER

ADMINISTRATIVE LAW DIVISION

Form #1

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1989 MAR -7 PM 2:08

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

NOTICE OF PUBLIC HEARING ON A PROPOSED RULE

AGENCY: Board of Risk & Insurance Management TITLE NUMBER: 115

RULE TYPE: Emergency Rules; CITE AUTHORITY 29-12-1 et seq.

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: 2

TITLE OF RULE BEING PROPOSED: Rules of WV Board of Risk & Insurance

Management - Public Entities Insurance Program

DATE OF PUBLIC HEARING: Wednesday, May 3, 1989 & Mon. May 8, 1989 TIME: 1 P.M. - 5 P.M.

LOCATION OF PUBLIC HEARING: Ramada Inn, Morgantown, WV on May 3, 1989

Ramada Inn, South Charleston, WV on May 8, 1989

COMMENTS LIMITED TO: ORAL___, WRITTEN___, BOTH x

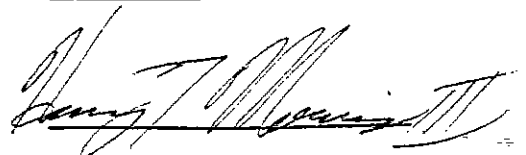
COMMENTS MAY ALSO BE MAILED TO THE FOLLOWING ADDRESS: Board of Risk & Insurance
Management
Bldg. 5 Room 1017

The Department requests that persons wishing to make
comments at the hearing make an effort to submit written
comments in order to facilitate the review of these comments.

Capitol Complex
Charleston, WV 25305

The issues to be heard shall be limited to the proposed rule.

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL



FISCAL NOTE
(Submit 4 copies)

HD NO. _____ DRAFT NO. _____

EXPLAIN IN A CLEAR, CONCISE MANNER WHAT EFFECT THIS MEASURE WILL HAVE ON THE COSTS AND REVENUES OF STATE GOVERNMENT.

FISCAL NOTE TO Emergency Rules - Board of Risk & Insurance Management
Title #115 Series #2 Public Entities Insurance Program

(GIVE BILL OR RESOLUTION NUMBER WHEN AVAILABLE. OTHERWISE IDENTIFY
BY SUBJECT, CODE REFERENCE, ETC.)

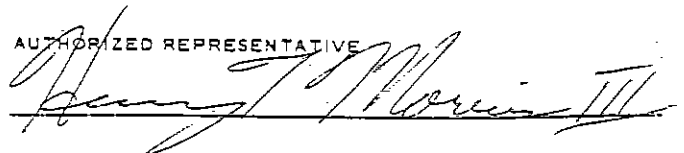
The proposed rules and regulations will not have any effect on the costs and revenues of State Government. All funds involved will come out of the Public Entities Insurance Program. The Public Entities Insurance Program is funded through the premiums paid by the insured entities.

DATE

AGENCY

March 7, 1989 Board of Risk & Ins. Mgt.

AUTHORIZED REPRESENTATIVE



STATE OF WEST VIRGINIA
BOARD OF RISK AND INSURANCE MANAGEMENT



CAPITOL COMPLEX, BUILDING 5, ROOM 1017, CHARLESTON, WEST VIRGINIA 25305

(304) 348-2291

To: All Insured's and Agents of Record

From: Board of Risk and Insurance Management

Date: February 15, 1989

Subject: Public Entities Insurance Program
Rules and Regulation's Public Hearings

In compliance with West Virginia Code 6-9A-3 the Board of Risk will be holding Public Hearings on its Rules and Regulations filed with the Secretary of State concerning the Public Entities Insurance Program.

The Public Hearings are scheduled on the following:

May 3, 1989 at 1:00 p.m. - Ramada Inn, Morgantown, WV

May 8, 1989 at 1:00 p.m. - Ramada Inn, South Charleston, WV

Please check the box indicating which meeting you will be able to attend and return this memo to the Board of Risk. If you can not attend either of the meetings, you can give to the Board your written comments concerning the Rules and Regulations. <Attached>

TITLE
LEGISLATIVE RULES
WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT

FILED

1989 MAR -7 PM 2:09

SERIES
RULES OF THE WEST VIRGINIA BOARD OF RISK
AND INSURANCE MANAGEMENT

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

Section 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. Purpose of the program is to provide liability coverage and/or property coverage for governmental entities and non-profit organizations.

1.2. Authority. -- W.V. Code 2 29-12-1 et seq., and Code 29-12A-1 et seq.

1.3. Filing Date. -- _____.

1.4. Effective Date. -- _____.

Section 2. Definitions.

2.1. Board - means the West Virginia Board of Risk and Insurance Management.

2.2. Entity - means the political subdivision or other organization 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 that document and/or agreement provided to the entity or agent for the purpose of paying agent a service fee.

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

Section 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.V. Code S 29-12-1 and Code 29 -12A-1 et seq. and WV Insurance Code 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 Fee Agreement and signed by the insured entity.

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

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 to satisfactorily complete the information packet may also result in the entity losing insurance coverage and/or forfeiting moneys collected by the board as acquisition cost.

Section 4. Data Acquisition Cost.

4.1. An amount designated as a data acquisition cost 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 data acquisition cost shall be an amount equal to eight percent of the annual earned premium charged the entity for insurance coverage.

Section 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.

Section 6. Ineligible Classes.

6.1. The following classes of entities have been determined by the Board to be ineligible for coverage under the Senate Bill #3 program.

- 6.1.a. (1) Hospitals - except those owned and operated by political subdivisions already insured with the state program.
- (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

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.

Section 7. Rates and Coverages.

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

Section 8. Advisory Committee.

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

Section 9. Cancellation Provisions.

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

9.2. The Board shall give an entity a 30 day notice of cancellation for non payment of premium.

STATE OF WEST VIRGINIA
BOARD OF RISK AND INSURANCE MANAGEMENT



CAPITOL COMPLEX, BUILDING 5, ROOM 1017, CHARLESTON, WEST VIRGINIA 25305

(304) 348-2291

MEMORANDUM

TO: All Agents of Record for Public Entities Program

FROM: William Sigmund, Chairman, Board of Risk and Insurance

DATE: August 15, 1988

SUBJECT: Fee Agreement

Attached is a revised Fee Agreement that will be used by the Board of Risk and Insurance Management for the payment of fees to agents who have provided services to the Board, and the entities insured in the Public Entities Program.

Please note the following changes from the previous Fee Agreement:

1. The attached agreement is a permanent agreement. It can only be changed upon the insured's request for a new agent or when the fee percentage amount is changed.
2. The new agreement will allow the Board to pay fees directly to the agent or agency. The difference between the agent's fee and the maximum 8% will be credited to the insured's account.
3. The Board will pay based upon the annual earned premium.
4. The Board will pay at the end of the policy year. This will eliminate accounting problems when there are changes in premiums during the policy year.
5. The Board will pay only those agents that comply with the underwriting requests of the Board and who return the attached Fee Agreements.
6. The attached Fee Agreement is in triplicate. One is to be returned to the Board, the second is for the agent's records, and the third is for the insured's records.
7. The revised Fee Agreement makes it optional to pay either the individual agent or the agency. You must indicate how you want the fee to be paid.
8. FEE AGREEMENTS MUST BE RETURNED TO THE BOARD NO LATER THAN OCTOBER 1, 1988.

If you have any questions, please do not hesitate to contact our office at 1-800-345-4669.

The following definitions apply to this agreement:

"Board" means the West Virginia Board of Risk and Insurance Management

"Insured" means the following insured entity:

"Agent of Record" means the following licensed Insurance Agent or Insurance Agency:

Name of Agent _____ License # _____

Name of Agency _____ Tax #: _____

Street/P.O.Box _____

City/State/Zip _____

This agreement made with the "Board", the "Insured", and the Insured's designated "Agent of Record" mutually agrees as follows:

The "Insured" authorizes the "Board" to pay the "Agent of Record" a fee of _____% (subject to a maximum of 8%) of the earned premium. Payment of said fee is subject to the Agents compliance with all underwriting requirements as determined by the "Board".

The difference between the maximum of 8% and the percentage paid to the "Agent of Record" shall be credited to the "Insured's" account with the "Board".

The earned premium will be computed on an annual basis of July 1st of each year to June 30th of the following year. The "Insured" upon written request to the "Board" can change the "Agent of Record" and/or fee paid to the "Agent of Record".

Authorized Representative of the Board

Date

Authorized Representative of the Insured

Date

Signature of Agent of Record

Date

Social Security Number of Agent: _____

Indicate if check is to be paid to Agent _____ or Agency _____.