

ADMINISTRATIVE LAW DIVISION

Henry M. Davis III

TITLE
LEGISLATIVE RULES
WEST VIRGINIA BOARD OF RISK AND INSURANCE MANAGEMENT

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

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, charitable and non-profit organizations 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 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.

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 29-12-5 and Code 29-12A-1 et seq. and WV 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 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.

Section 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.

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 WV Code 29-12-5.

- 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 entities.

Section 9. Cancellation Provisions.

9.1. The Board shall have the authority to cancel any entity that fails to pay their premium withing 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.



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WEST VIRGINIA LEGISLATURE
LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

Room M-438, State Capitol
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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

Senator Lloyd Jackson, Co-Chairman
Delegate Patrick H. Murphy, Co-Chairman

Debra A. Graham, Counsel
Marie Nickerson, Receiving Clerk

NOTICE OF ACTION TAKEN BY LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

October 16, 1989

TO: Ken Hechler, Secretary of State, State Register

TO: Mr. Harry Morris, Underwriting Manager
Board of Risk & Insurance Management
Building 5, Room 1017
Charleston, WV 25305

FROM: Legislative Rule-Making Review Committee

PROPOSED RULE: Rules of WV Board of Risk & Insurance Management-
Public Entities Insurance Program

The Legislative Rule-Making Review Committee recommends that the West Virginia Legislature:

1. Authorize the agency to promulgate the Legislative Rule
 - (a) as originally filed
 - (b) as modified by the agency X
2. Authorize the agency to promulgate part of the Legislative rule; a statement of reasons for such recommendation is attached. _____
3. Authorize the agency to promulgate the Legislative rule with certain amendments; amendments and a statement of reasons for such recommendation is attached. _____
4. Authorize the agency to promulgate the Legislative rule as modified with certain amendments; amendments and a statement of reasons for such recommendation is attached. _____
5. Recommends that the rule be withdrawn; a statement of reasons for such recommendation is attached. _____

Pursuant to Code 29A-3-11(c), this notice has been filed in the State Register and with the agency proposing the rule.

cc: Earl Smith