



**WEST VIRGINIA SECRETARY OF STATE**

**KRIS WARNER**

**ADMINISTRATIVE LAW DIVISION**

**eFILED**

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Office of West Virginia  
Secretary Of State

**NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE AND FILING WITH THE LEGISLATIVE RULE-  
MAKING REVIEW COMMITTEE**

AGENCY: Insurance Commission TITLE-SERIES: 114-07  
RULE TYPE: Legislative Amendment to Existing Rule: No Repeal of existing rule: Yes  
RULE NAME: 114-07 Premium Financing of Life Insurance for College Students

**PRIMARY CONTACT**

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CITE STATUTORY AUTHORITY: W. Va. Code §§33-2-10

EXPLANATION OF THE STATUTORY AUTHORITY FOR THE LEGISLATIVE RULE, INCLUDING A DETAILED SUMMARY OF THE EFFECT OF EACH PROVISION OF THE LEGISLATIVE RULE WITH CITATION TO THE SPECIFIC STATUTORY PROVISION WHICH EMPOWERS THE AGENCY TO ENACT SUCH RULE PROVISION:

N/A - Repeal

IS THIS FILING SOLELY FOR THE SUNSET PROVISION REQUIREMENTS IN W. VA. CODE §29A-3-19(e)? No

IF YES, DO YOU CERTIFY THAT THE ONLY CHANGES TO THE RULE ARE THE FILING DATE, EFFECTIVE DATE AND AN EXTENSION OF THE SUNSET DATE? No

DATE eFiled FOR NOTICE OF HEARING OR PUBLIC COMMENT PERIOD: 6/19/2025

DATE OF PUBLIC HEARING(S) OR PUBLIC COMMENT PERIOD ENDED: 7/19/2025

COMMENTS RECEIVED: No

(IF YES, PLEASE UPLOAD IN THE COMMENTS RECEIVED FIELD COMMENTS RECEIVED AND RESPONSES TO COMMENTS)

PUBLIC HEARING:

(IF YES, PLEASE UPLOAD IN THE PUBLIC HEARING FIELD PERSONS WHO APPEARED AT THE HEARING(S) AND TRANSCRIPTS)

RELEVANT FEDERAL STATUTES OR REGULATIONS: No

WHAT OTHER NOTICE, INCLUDING ADVERTISING, DID YOU GIVE OF THE HEARING?

N/A.

SUMMARY OF THE CONTENT OF THE LEGISLATIVE RULE, AND A DETAILED DESCRIPTION OF THE RULE'S PURPOSE AND ALL PROPOSED CHANGES TO THE RULE:

The proposed change is to repeal the entirety of the rule. This rule was promulgated in 1970 and many parts of the rule are outdated or unnecessary. There is no current statute that requires the rule or specifically enables the rule. The Insurance Commissioner believes that it has enough authority under existing statutory law, specifically the Unfair Trade Practices Act, to regulate effectively in this area and ensure consumer protection.

STATEMENT OF CIRCUMSTANCES WHICH REQUIRE THE RULE:

The Insurance Commissioner is reviewing its oldest rules at the request of the Governors Office and Legislative Rulemaking Review Committee, and this is one of the rules the agency has identified as appropriate for repeal.

SUMMARIZE IN A CLEAR AND CONCISE MANNER THE OVERALL ECONOMIC IMPACT OF THE PROPOSED LEGISLATIVE RULE:

A. ECONOMIC IMPACT ON REVENUES OF STATE GOVERNMENT:

N/A.

B. ECONOMIC IMPACT ON SPECIAL REVENUE ACCOUNTS:

N/A.

C. ECONOMIC IMPACT OF THE LEGISLATIVE RULE ON THE STATE OR ITS RESIDENTS:

N/A.

D. FISCAL NOTE DETAIL:

Effect of Proposal	Fiscal Year		
	2025 Increase/Decrease (use "-")	2026 Increase/Decrease (use "-")	Fiscal Year (Upon Full Implementation)
<b>1. Estimated Total Cost</b>			
Personal Services			
Current Expenses			
Repairs and Alterations			
Assets			
Other			
<b>2. Estimated Total Revenues</b>			

E. EXPLANATION OF ABOVE ESTIMATES (INCLUDING LONG-RANGE EFFECT):

N/A

BY CHOOSING 'YES', I ATTEST THAT THE PREVIOUS STATEMENT IS TRUE AND CORRECT.

**Yes**

**Anoop Bhasin -- By my signature, I certify that I am the person authorized to file legislative rules, in accordance with West Virginia Code §29A-3-11 and §39A-3-2.**

TITLE 114  
LEGISLATIVE RULES  
INSURANCE COMMISSIONER

SERIES 7  
PREMIUM FINANCING OF LIFE INSURANCE  
FOR COLLEGE STUDENTS

~~§114-7-1. General.~~

~~1.1. Scope. — The purpose of this regulation is to set forth requirements to be followed by insurers and agents transacting life insurance in West Virginia under a plan whereby life insurance policies are offered to college students under premium financing arrangements. This regulation encompasses the financing arrangements, disclosure requirements and general selling practices of insurers and agents offering life insurance policies to college students whereby premiums are to be paid under a premium financing arrangement. All insurers and agents participating in such an arrangement shall be subject to the provisions of this regulation.~~

~~1.2. Authority. — W. Va. Code §33-2-10 and §33-11-6~~

~~1.3. Filing Date. — May 13, 1970~~

~~1.4. Effective Date. — July 1, 1970~~

~~§114-7-2. Financing Arrangement.~~

~~2.1. Financing agreement. — If the insured is a minor and executes a promissory note in connection with the first year's premium, such note must be witnessed or acknowledged by at least one of the insured's parents or his guardian. It is not the intent of this section to enlarge the rights or duties of a minor as found in the statutory and common law of West Virginia, including, but not limited to, the provisions of section four, article six, chapter thirty-three of the West Virginia Code of 1931, as amended.~~

~~2.2. Disclosure in application Down payment. — The giving of a promissory note in connection with the first premium must be set out in the application over the applicant's signature, showing the amount of the note and the amount of the down payment made to an agent at the time of sale. A down payment in cash of at least ten dollars (\$10.00) must be paid at the time the application is signed.~~

~~2.3. Down payment Unfair practices. — The down payment must be paid by the applicant in cash and any payment made, directly or indirectly, by the agent to or for the benefit of the applicant in connection with the sale shall be presumed to be an illegal rebate or inducement.~~

~~2.4. Same Limitation on amount. — If a note is taken to finance less than the first year's premium, the balance must be paid in cash by the applicant at the time the application is taken, except that such balance shall not be less than ten dollars (\$10.00). The maximum amount of any premium financing arrangement which may be entered into shall be in accordance with reasonable and sound underwriting practices as determined by the insurer. A premium financing arrangement whereby an applicant becomes indebted in an amount sufficient to finance the first annual premium, exclusive of interest, shall be deemed prima facie in accordance with reasonable and sound underwriting practices. A financed program should not be sold to a undergraduate student on a basis where premiums would come due less than ninety (90) days after the anticipated date of graduation of said student.~~

~~2.5. Note and assignment attached to policy. — A copy of the note and any assignment must be attached to the policy.~~

~~2.6. When note becomes payable. — The maturity date of any promissory note payable in one lump sum at maturity, or the maturity date of any installment type note which provided for a "Balloon" payment, should not be less than ninety (90) days after the anticipated graduation date of the applicant. Provided, That any such note may contain an acceleration clause to become operable not less than thirty one (31) days after default in the payment of any renewal premium. The obligation evidenced by a promissory note may be satisfied in advance of the maturity date without penalty.~~

### ~~§114 7 3. Receipt.~~

~~3.1. Evidence of acceptance. — Upon delivery of the policy, a policy receipt or acceptance form must be executed by the insured acknowledging that:~~

~~(a) The policy has been issued as represented; and~~

~~(b) The insured acknowledges and understands the provisions and obligations of the financial indebtedness that he has incurred.~~

~~If, at the time the policy receipt or acceptance form is presented with the policy to the insured for his signature, he decides that he does not wish the plan, it is strongly recommended that the policy and note be canceled and the applicant released from any liability, and refund made of the down payment. Failure to comply with this recommendation will be cause for an investigation by this department to determine whether proper disclosure of the plan was made at the time of the solicitation and application for insurance.~~

~~3.2. Registration of printed form Time of delivery. — The printed form described in Section 3.1 of these rules above should be registered by number (preferably corresponding to policy number) in the home office. Such form must be sent with the policy at the time of delivery only. These forms shall not be made available as supplies to field representatives or agents, but must be furnished from the home office in transmittal of the policy to the writing agent.~~

### ~~§114 7 4. Transfer Of Note.~~

~~4.1. Time of transfer. — Promissory notes should not be sold or otherwise transferred by the payee nor any commissions on the sale paid to the agent until the printed form described in Section 3.1 of these rules, above, executed by the insured, has been received in the home office of the insurer.~~

~~4.2. Notice of transfer. — The insurer shall notify the note maker (insured) and any co-makers regarding the sale or transfer of the note after such sale or transfer, inviting any questions relative to the note or the policy which is used as collateral security for the note. Such notice may be given by the purchaser, transferee or assignee of the note, but the insurer is charged with the ultimate responsibility to give notice.~~

### ~~§114 7 5. Selling Practices.~~

~~5.1. Sales presentation Cash values Written summary to applicant. — Any cash values shown at the time of presentation should be based on the face amount of the policy being offered and not for a larger policy. For example, if a ten thousand dollars (\$10,000) policy is being presented, the values for such ten thousand dollars (\$10,000) policy, and not for a fifty thousand dollars (\$50,000) or seventy five dollars (\$75,000) program, should be shown. An appropriate written summary setting forth the proposal accepted shall be~~

~~given to the applicant at the time he executes the application.~~

~~5.2. Filing sales material. — All sales material, promissory notes and other forms used in the sale of such programs must be submitted to the West Virginia Insurance Department in duplicate with duplicate letters of transmittal referring to the policy form or forms in connection with which such material is to be used. No such materials shall be used until submitted for approval as outlined above.~~

~~5.3. "Bird Dogging" prohibited. — No person other than a licensed agent shall participate in the solicitation, negotiation, or effectuation of life insurance with respect to college students in this State. Solicitation includes, but is not limited to, situations where a licensed agent compensates or agrees to compensate certain professors, students, or administrative personnel for aiding him in the solicitation of prospects.~~

~~§114 7-6. Separability.~~

~~6.1. Partial invalidity. — If any provision of this regulation shall be held invalid, the remainder of the regulation shall not be affected thereby.~~