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SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

FIRST REGULAR SESSION, 1993

— ● —

ENROLLED

HOUSE BILL No. 2728

(By Delegates Phillips, Michael, Dempsey,
Staton, Carper, Harrison and Douglas)

— ● —

Passed April 8, 1993

In Effect July 1, 1993 ~~Passage~~

ENROLLED
H. B. 2728

(By DELEGATES PHILLIPS, MICHAEL, DEMPSEY, STATON,
CARPER, HARRISON AND DOUGLAS)

[Passed April 8, 1993; in effect July 1, 1993.]

AN ACT to amend article six, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section, designated section thirty-one-c, relating to substandard risk motor vehicle insurance policies; definitions; required notices and provisions; the promulgation of rules by the insurance commissioner; and effective date.

Be it enacted by the Legislature of West Virginia:

That article six, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new section, designated section thirty-one-c, to read as follows:

ARTICLE 6. THE INSURANCE POLICY.

§33-6-31c. Substandard risk motor vehicle insurance policies; definitions; required notices and provisions; promulgation of rules; effective date.

1 (a) For purposes of this section, the following defini-
2 tions shall apply:

3 (1) A "substandard risk" means an applicant for
4 insurance who presents a greater exposure to loss than
5 that contemplated by commonly used rate classifica-
6 tions, as evidenced by one or more of the following
7 conditions:

- 8 (A) Record of traffic accidents;
- 9 (B) Record of traffic law violations;
- 10 (C) Undesirable occupational circumstances;
- 11 (D) Undesirable moral characteristics.

12 (2) "Substandard risk rate" means a rate or premium
13 charge that reflects the greater than normal exposure
14 to loss which is assumed by an insurer writing insurance
15 for a substandard risk.

16 (b) Every application for a motor vehicle insurance
17 policy to be issued in this state and written on the basis
18 of a substandard risk rate schedule shall have printed
19 thereon, in bold-faced type in a contrasting color, a
20 statement reading substantially as follows: THE POL-
21 ICY FOR WHICH YOU ARE APPLYING HAS BEEN
22 RATED IN ACCORDANCE WITH A SPECIAL RAT-
23 ING SCHEDULE FILED WITH THE COMMIS-
24 SIONER OF INSURANCE PROVIDING FOR
25 HIGHER PREMIUM CHARGES THAN THOSE
26 GENERALLY APPLICABLE FOR AVERAGE
27 RISKS. IF THE COVERAGE OR PREMIUM IS NOT
28 SATISFACTORY, YOU MAY BE ELIGIBLE FOR
29 OTHER INSURANCE.

30 (c) Every motor vehicle insurance policy issued in this
31 state and written on the basis of a substandard risk rate
32 schedule shall have printed thereon, in bold-faced type
33 in a contrasting color, a statement reading substantially
34 as follows: THIS POLICY HAS BEEN RATED IN
35 ACCORDANCE WITH A SPECIAL RATING SCHED-
36 ULE FILED WITH THE COMMISSIONER OF IN-
37 SURANCE PROVIDING FOR HIGHER PREMIUM
38 CHARGES THAN THOSE GENERALLY APPLICA-
39 BLE FOR AVERAGE RISKS. IF THE COVERAGE
40 OR PREMIUM IS NOT SATISFACTORY, YOU MAY
41 BE ELIGIBLE FOR OTHER INSURANCE.

42 (d) On or before the first day of July, one thousand
43 nine hundred ninety-three, all insurers licensed or
44 registered in this state to market or sell substandard
45 risk motor vehicle insurance policies shall submit all
46 applications and policies for substandard risk insurance

47 to the commissioner of insurance for approval prior to
48 being used by the insurer.

49 (e) The commissioner shall promulgate rules in
50 accordance with the provisions of chapter twenty-nine-
51 a of this code regarding the format, style, design and
52 approval of substandard risk insurance applications and
53 policies and such other procedures as may be required
54 by this section.

55 (f) The effective date of this section shall be the first
56 day of July, one thousand nine hundred ninety-three.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

[Handwritten Signature]
.....
Chairman Senate Committee

Ernest C. Moore
.....
Chairman House Committee

Originating in the House.

Takes effect July 1, 1993.

Harold E. Adams
.....
Clerk of the Senate

Donald L. Hoop
.....
Clerk of the House of Delegates

[Handwritten Signature]
.....
President of the Senate

[Handwritten Signature]
.....
Speaker of the House of Delegates

The within is approved this the *26th*
day of *April* 1993.

Jason Caperton
.....
Governor

PRESENTED TO THE

GOVERNOR

Date

4/20/43

Time

10:36 am