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SB 619

FILED

2006 MAR 23 P 4: 49

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

**WEST VIRGINIA LEGISLATURE**  
Regular Session, 2006



**ENROLLED**

SENATE BILL NO. 619

(By Senators Minard and Jenkins)



PASSED March 7, 2006

In Effect 90 days from Passage

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**Senate Bill No. 619**

(BY SENATORS MINARD AND JENKINS)

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[Passed March 7, 2006; in effect ninety days from passage.]

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AN ACT to amend and reenact §33-20F-5 of the Code of West Virginia, 1931, as amended, relating to the governance and organization of the West Virginia Physicians' Mutual Insurance Company; and removing a restriction limiting service on the board of directors of the company to two consecutive terms.

*Be it enacted by the Legislature of West Virginia:*

That §33-20F-5 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

**ARTICLE 20F. PHYSICIANS' MUTUAL INSURANCE COMPANY.**

**§33-20F-5. Governance and organization.**

- 1 (a) (1) The Board of Risk and Insurance Management
- 2 shall implement the initial formation and organization of
- 3 the company as provided by this article.

4 (2) From the first day of July, two thousand three, until  
5 the thirtieth day of June, two thousand four, the company  
6 shall be governed by a provisional board of directors  
7 consisting of the members of the Board of Risk and  
8 Insurance Management, the Dean of the West Virginia  
9 University School of Medicine or a physician representa-  
10 tive designated by him or her and five physician directors  
11 elected by the policyholders whose policies are to be  
12 transferred to the company pursuant to section nine of this  
13 article.

14 (3) Only physicians who are licensed to practice medicine  
15 in this state pursuant to article three or fourteen, chapter  
16 thirty of this code and who have purchased medical  
17 professional liability coverage from the Board of Risk and  
18 Insurance Management are eligible to serve as physician  
19 directors on the provisional board of directors. One of the  
20 physician directors shall be selected from a list of three  
21 physicians nominated by the West Virginia Medical  
22 Association. The Board of Risk and Insurance Manage-  
23 ment shall develop procedures for the nomination of the  
24 remaining physician directors and for the conduct of the  
25 election, to be held no later than the first day of June, two  
26 thousand three, of all of the physician directors, including,  
27 but not limited to, giving notice of the election to the  
28 policyholders. These procedures shall be exempt from the  
29 provisions of article three, chapter twenty-nine-a of this  
30 code.

31 (b) From the first day of July, two thousand four, the  
32 company shall be governed by a board of directors consist-  
33 ing of eleven directors, as follows:

34 (1) Five directors who are physicians licensed to practice  
35 medicine in this state by the Board of Medicine or the  
36 Board of Osteopathy, including at least one general  
37 practitioner and one specialist: *Provided*, That only  
38 physicians who have purchased medical professional  
39 liability coverage from the Board of Risk and Insurance

40 Management are eligible to serve as physician representa-  
41 tives on the company's first board of directors;

42 (2) Three directors who have substantial experience as  
43 an officer or employee of a company in the insurance  
44 industry;

45 (3) Two directors with general knowledge and experience  
46 in business management who are officers and employees of  
47 the company and are responsible for the daily management  
48 of the company; and

49 (4) One director who is a dean of a West Virginia school  
50 of medicine or osteopathy or his or her designated physi-  
51 cian representative. This director's position shall rotate  
52 annually among the Dean of the West Virginia University  
53 School of Medicine, the Dean of the Marshall University  
54 Joan C. Edwards School of Medicine and the Dean of the  
55 West Virginia School of Osteopathic Medicine. This  
56 director shall serve until such time as the moneys loaned  
57 to the company from the West Virginia Tobacco Settle-  
58 ment Medical Trust Fund have been replenished as  
59 provided in subsection (e), section four of this article.  
60 After the moneys have been replenished to the West  
61 Virginia Tobacco Settlement Medical Trust Fund, this  
62 director shall be a physician licensed to practice medicine  
63 in this state by the Board of Medicine or the Board of  
64 Osteopathy.

65 (c) In addition to the eleven directors required by  
66 subsection (b) of this section, the bylaws of the company  
67 may provide for the addition of at least two directors who  
68 represent an entity or institution which lends or otherwise  
69 provides funds to the company.

70 (d) The directors and officers of the company are to be  
71 chosen in accordance with the articles of incorporation  
72 and bylaws of the company. The initial board of directors  
73 selected in accordance with the provisions of subdivision  
74 (3), subsection (a) of this section shall serve for the follow-

75 ing terms: (1) Three for four-year terms; (2) three for three-  
76 year terms; (3) three for two-year terms; and (4) two for  
77 one-year terms. Thereafter, the directors shall serve  
78 staggered terms of four years. If an additional director is  
79 added to the board as provided in subsection (c) of this  
80 section, his or her initial term shall be for four years.

81 (e) The incorporators are to prepare and file articles of  
82 incorporation and bylaws in accordance with the provi-  
83 sions of this article and the provisions of this chapter and  
84 chapter thirty-one of this code.

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

*Kathy White*  
.....  
Chairman Senate Committee

*R. Burr*  
.....  
Chairman House Committee

Originated in the Senate.

In effect ninety days from passage.

*Russell E. Holmes*  
.....  
Clerk of the Senate

*Gregg D. Sear*  
.....  
Clerk of the House of Delegates

*Carl Roy Tomblin*  
.....  
President of the Senate

*Robert J. ...*  
.....  
Speaker House of Delegates

The within *is approved* ..... this the *23rd*  
Day of *March* ....., 2006.

*Robert M. ...*  
.....  
Governor

PRESENTED TO THE  
GOVERNOR

MAR 17 2006

Time 11:05 am