

1 Mutual Insurance Company may be created as a domestic, private,
2 nonstock ~~nonprofit~~ corporation. ~~As an incentive for its creation,~~
3 ~~the company may be eligible for funds from the Legislature in~~
4 ~~accordance with the provisions of section seven of this article.~~
5 The company must remain for the duration of its existence a
6 domestic mutual insurance company owned by its policyholders and
7 may not be converted into a stock corporation ~~a for-profit~~
8 ~~corporation~~ or any other entity not owned by its policyholders.
9 ~~The company may not declare any dividend to its policyholders;~~
10 ~~sell, assign or transfer substantial assets of the company; or~~
11 ~~write coverage outside this state, except for counties adjoining~~
12 ~~this state, until after any and all debts owed by the company to~~
13 ~~the state have been fully paid.~~

14 (b) For the duration of its existence, the company is not and
15 may not be considered a department, unit, agency, or
16 instrumentality of the state for any purpose. All debts, claims,
17 obligations, and liabilities of the company, whenever incurred,
18 ~~shall be the~~ are debts, claims, obligations, and liabilities of the
19 company only and not of the state or of any department, unit,
20 agency, instrumentality, officer or employee of the state.

21 (c) The moneys of the company are not and may not be
22 considered part of the General Revenue Fund of the state. The
23 debts, claims, obligations, and liabilities of the company are not
24 and may not be considered a debt of the state or a pledge of the

1 credit of the state.

2 (d) The company is not subject to provisions of article nine-
3 a, chapter six of this code or the provisions of article one,
4 chapter twenty-nine-b of this code.

5 (e) ~~(1)~~ All premiums collected by the company are subject to
6 the premium taxes, additional premium taxes, additional fire and
7 casualty insurance premium taxes and surcharges contained in
8 sections fourteen, fourteen-a, fourteen-d and thirty-three, article
9 three of this chapter. ~~Provided, That while the loan to the company~~
10 ~~of moneys from the West Virginia Tobacco Settlement Medical Trust~~
11 ~~Fund pursuant to section nine of this article remains outstanding,~~
12 ~~the commissioner may waive the company's premium taxes, additional~~
13 ~~premium taxes and additional fire and casualty insurance premium~~
14 ~~taxes if payment would render the company insolvent or otherwise~~
15 ~~financially impaired.~~

16 ~~(2) On and after July 1, 2003, any premium taxes and~~
17 ~~additional premium taxes paid by the company and by any insurer on~~
18 ~~its medical malpractice line pursuant to sections fourteen and~~
19 ~~fourteen-a, article three of this chapter, shall be temporarily~~
20 ~~applied toward replenishing the moneys appropriated from the West~~
21 ~~Virginia Tobacco Settlement Medical Trust Fund pursuant to~~
22 ~~subsection (c), section two, article eleven-a, chapter four of this~~
23 ~~code pending repayment of the loan of such moneys by the company.~~

24 ~~(3) The State Treasurer shall notify the commissioner when the~~

1 moneys appropriated from the West Virginia Tobacco Settlement
2 Medical Trust have been fully replenished, at which time the
3 commissioner shall resume depositing premium taxes and additional
4 premium taxes diverted pursuant to subdivision (2) of this
5 subsection in accordance with the provisions of sections fourteen
6 and fourteen-a, article three of this chapter.

7 ~~(4) Payments received by the treasurer from the company in~~
8 ~~repayment of any outstanding loan made pursuant to section nine of~~
9 ~~this article shall be deposited in the West Virginia Tobacco~~
10 ~~Settlement Medical Trust Fund and dedicated to replenishing the~~
11 ~~moneys appropriated therefrom under subsection (c), section two,~~
12 ~~article eleven-a, chapter four of this code. Once the moneys~~
13 ~~appropriated from the West Virginia Tobacco Settlement Medical~~
14 ~~Trust Fund have been fully replenished, the treasurer shall deposit~~
15 ~~any payments from the company in repayment of any outstanding loan~~
16 ~~made pursuant to section nine of this article in said fund and~~
17 ~~transfer a like amount from said fund to the commissioner for~~
18 ~~disbursement in accordance with the provisions of sections fourteen~~
19 ~~and fourteen-a, article three of this chapter.~~

20 ~~(5) Notwithstanding any other provision of this code to the~~
21 ~~contrary, on and after the effective date of the amendment and~~
22 ~~reenactment of this section during the regular session of the~~
23 ~~Legislature in 2006, all moneys otherwise required by this section~~
24 ~~to be deposited in the West Virginia Tobacco Settlement Medical~~

1 ~~Trust Fund and dedicated to replenishing the moneys transferred~~
2 ~~therefrom under subsection (c), section two, article eleven-a,~~
3 ~~chapter four of this code shall instead be paid into the Revenue~~
4 ~~Shortfall Reserve Fund - Part B created in section twenty, article~~
5 ~~two, chapter eleven b of this code.~~

(NOTE: The purpose of this bill is to delete obsolete provisions in the West Virginia Code regarding the Physicians' Mutual Insurance Company, and to provide that the company need not be organized as a nonprofit corporation provided that the company remain a domestic mutual insurance company owned by its policyholders.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.)