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OFFICE WEST VIRGINIA SECRETARY OF STATE

# **WEST VIRGINIA LEGISLATURE**

SECOND REGULAR SESSION, 2014

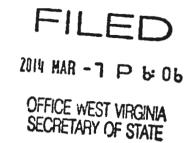
# ENROLLED

House Bill No. 4359

(By Delegate Guthrie)
[By Request of the Insurance Commission]

Passed February 24, 2014

In effect ninety days from passage.



#### ENROLLED

H. B. 4359

(BY DELEGATE GUTHRIE)
[BY REQUEST OF THE INSURANCE COMMISSION]

[Passed February 24, 2014; in effect ninety days from passage.]

AN ACT to amend and reenact §33-37-2 of the Code of West Virginia, 1931, as amended, relating to licensure of managing general agents of insurers; removing unnecessary language; providing for retroactive renewal of lapsed licenses; establishing license application and renewal fees; extending period of some initial licenses; and clarifying that the appointment of the Secretary of State to receive process applies to administrative actions and actions involving license applications.

Be it enacted by the Legislature of West Virginia:

That §33-37-2 of the Code of West Virginia, 1931, as amended, be amended and reenacted to read as follows:

# --ARTICLE 37. MANAGING GENERAL AGENTS.

### 33-37-2. Licensure.

- (a) No domestic, foreign or alien insurer may permit a person to act, and no person may act, in the capacity of a managing general agent for an insurer in this state unless the person is licensed in this state to act as a managing general 5 agent.
  - 6 (b) No person may act in the capacity of a managing general 7 agent with respect to risks located in this state for an insurer licensed in this state unless the person is a licensed insurance 9 producer in this state.
  - 10 (c) The commissioner may license as a managing general 11 agent any individual or business entity that has complied with 12 the requirements of this article and any related rules. The 13 commissioner may refuse to issue a license if he or she believes 14 the applicant, any person named on the application, or any 15 member, principal, officer or director of the applicant is not 16 trustworthy or competent to act as a managing general agent, or 17 that any of the foregoing persons has given cause for revocation 18 or suspension of the license or has failed to comply with any 19 prerequisite for issuance of the license.
  - 20 (d) Any person seeking a license pursuant to this section 21 shall apply for the license in a form prescribed by the 22 commissioner and pay a nonrefundable application fee of \$500. 23 Each license issued pursuant to this section expires on June 30 24 following issuance, except that a license initially issued in May 25 or June expires on June 30 of the following year. In order to 26 renew a license, a licensed managing general agent shall submit 27 to the commissioner at least one month prior to expiration a 28 renewal application in a form prescribed by the commissioner 29 and a renewal fee of \$200: Provided, That a managing general 30 agent that fails to timely renew a license may reinstate the 31 license, retroactive to its expiration date, upon submission of the

- 32 renewal application form prior to June 1 following the expiration
- 33 date and payment of a renewal fee of \$400. All fees shall be paid
- 34 into the State Treasury to the credit of the special revenue
- 35 account created in subsection (b), section thirteen, article three
- 36 of this chapter.

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- 37 (e) The commissioner may require a bond in an amount 38 acceptable to him or her for the protection of the insurer.
- (f) The commissioner may require a managing general agent
   to maintain an errors and omissions policy that is acceptable to
   the commissioner.
- 42 (g) The submission of an application for license pursuant to this section constitutes an appointment by the applicant of the 43 Secretary of State as the agent for service of process on the 44 45 applicant in any action or proceeding, including administrative 46 actions instituted by the commissioner, arising in this state out 47 of or in connection with the application for or exercise of the 48 license. The appointment of the Secretary of State as agent for 49 service of process shall be irrevocable during the period within 50 which a cause of action against the applicant may arise out of 51 transactions with respect to subjects of insurance in this state. Service of process on the Secretary of State shall conform to the 52 53 provisions of section twelve, article four of this chapter.
  - (h) A person seeking licensure shall provide evidence, in a form acceptable to the commissioner, of its appointments or contracts as a managing general agent. The commissioner may refuse to renew the license of a person that has not been appointed by, or otherwise authorized to act for, an insurer as a managing general agent.

That Joint Committee on Enrolled Bills h	ereby certifies that the
foregoing bill is correctly enrolled.	
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Chairman, House Committee	

Chairman, Senate Committee

Originating in the House.

In effect ninety days from passage.

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Clerk of the House of Delegates
Joseph M. Winail
Clerk of the Senate
Speaker of the House of Delegares
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the within is approved this the 74h day of \_\_\_\_\_\_\_, 2014.

Cal Ray Somble

### PRESUNTED TO THE GOVERNOR

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