

COMMITTEE SUBSTITUTE

for

**H. B. 2811**

---

(BY DELEGATE(S) WESTFALL, MCCUSKEY AND FRICH)

---

(Originating in the House Committee on Finance.)

[February 25, 2015]

---

A BILL to amend and reenact §33-20F-4 of the Code of West Virginia, 1931, as amended, relating to the Physicians' Mutual Insurance Company; deleting obsolete provisions regarding the Physicians' Mutual Insurance Company; and providing that the company need not be organized as a nonprofit corporation.

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

That §33-20F-4 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-4. Authorization for creation of company; requirements and limitations.**

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

15           (b) For the duration of its existence, the company is not and  
16 may not be considered a department, unit, agency, or  
17 instrumentality of the state for any purpose. All debts, claims,

18 obligations, and liabilities of the company, whenever incurred,  
19 ~~shall be~~ are the debts, claims, obligations, and liabilities of the  
20 company only and not of the state or of any department, unit,  
21 agency, instrumentality, officer; or employee of the state.

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

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

30 (e) All premiums collected by the company are subject to the  
31 premium taxes, additional premium taxes, additional fire and  
32 casualty insurance premium taxes and surcharges contained in  
33 sections fourteen, fourteen-a, fourteen-d and thirty-three, article  
34 three of this chapter.

35 ~~(f) *Effective Date*—The changes to this section adopted in~~  
36 ~~2013 are effective and apply on and after July 1, 2013.~~

