

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Introduced

House Bill 3038

BY DELEGATE WALTERS

[Introduced March 14, 2017; Referred
to the Committee on Banking and Insurance then the
Judiciary.]

1 A BILL to amend and reenact §33-24-4 of the Code of West Virginia, 1931, as amended, relating
 2 to clarifying that merged care organizations are not exempt from payment of insurance
 3 premium taxes.

Be it enacted by the Legislature of West Virginia:

1 That §33-24-4 of the Code of West Virginia, 1931, as amended, be amended and
 2 reenacted to read as follows:

**ARTICLE 24. HOSPITAL SERVICE CORPORATIONS, MEDICAL SERVICE
 CORPORATIONS, DENTAL SERVICE CORPORATIONS AND HEALTH
 SERVICE CORPORATIONS.**

§33-24-4. Exemptions; applicability of insurance laws.

1 (a) Every corporation defined in section two of this article is hereby declared to be a
 2 scientific, nonprofit institution and exempt from the payment of all property and other taxes. Every
 3 corporation, to the same extent the provisions are applicable to insurers transacting similar kinds
 4 of insurance and not inconsistent with the provisions of this article, shall be governed by and be
 5 subject to the provisions as herein below indicated, of the following articles of this chapter: Article
 6 two (Insurance Commissioner); article four (general provisions), except that section sixteen of
 7 said article may not be applicable thereto; section twenty, article five (borrowing by insurers);
 8 section thirty-four, article six (fee for form, rate and rule filing); article six-c (guaranteed loss ratios
 9 as applied to individual sickness and accident insurance policies); article seven (assets and
 10 liabilities); article eight-a (use of clearing corporations and Federal Reserve book-entry system);
 11 article eleven (unfair trade practices); article twelve (insurance producers and solicitors), except
 12 that the agent’s license fee shall be \$25; section two-a, article fifteen (definitions); section two-b,
 13 article fifteen (guaranteed issue; limitation of coverage; election; denial of coverage; network
 14 plans); section two-d, article fifteen (exceptions to guaranteed renewability); section two-e, article
 15 fifteen (discontinuation of particular type of coverage; uniform termination of all coverage; uniform

16 modification of coverage); section two-f, article fifteen (certification of creditable coverage);
17 section two-g, article fifteen (applicability); section four-e, article fifteen (benefits for mothers and
18 newborns); section fourteen, article fifteen (policies discriminating among health care providers);
19 section sixteen, article fifteen (policies not to exclude insured's children from coverage; required
20 services; coordination with other insurance); section eighteen, article fifteen (equal treatment of
21 state agency); section nineteen, article fifteen (coordination of benefits with Medicaid); article
22 fifteen-a (West Virginia Long-Term Care Insurance Act); article fifteen-c (diabetes insurance);
23 section three, article sixteen (required policy provisions); section three-a, article sixteen (same -
24 mental health); section three-d, article sixteen (Medicare supplement insurance); section three-f,
25 article sixteen (required policy provisions - treatment of temporomandibular joint disorder and
26 craniomandibular disorder); section three-j, article sixteen (hospital benefits for mothers and
27 newborns); section three-k, article sixteen (limitations on preexisting condition exclusions for
28 health benefit plans); section three-l, article sixteen (renewability and modification of health benefit
29 plans); section three-m, article sixteen (creditable coverage); section three-n, article sixteen
30 (eligibility for enrollment); section eleven, article sixteen (group policies not to exclude insured's
31 children from coverage; required services; coordination with other insurance); section thirteen,
32 article sixteen (equal treatment of state agency); section fourteen, article sixteen (coordination of
33 benefits with Medicaid); section sixteen, article sixteen (insurance for diabetics); article sixteen-a
34 (group health insurance conversion); article sixteen-c (employer group accident and sickness
35 insurance policies); article sixteen-d (marketing and rate practices for small employer accident
36 and sickness insurance policies); article twenty-six-a (West Virginia Life and Health Insurance
37 Guaranty Association Act), after October 1, 1991, article twenty-seven (insurance holding
38 company systems); article twenty-eight (individual accident and sickness insurance minimum
39 standards); article thirty-three (annual audited financial report); article thirty-four (administrative
40 supervision); article thirty-four-a (standards and commissioner's authority for companies
41 considered to be in hazardous financial condition); article thirty-five (criminal sanctions for failure

42 to report impairment); article thirty-seven (managing general agents); article forty-a (risk-based
43 capital for health organizations); and article forty-one (Insurance Fraud Prevention Act) and no
44 other provision of this chapter may apply to these corporations unless specifically made applicable
45 by the provisions of this article. If, however, the corporation is converted into a corporation
46 organized for a pecuniary profit or if it transacts business without having obtained a license as
47 required by section five of this article, it shall thereupon forfeit its right to these exemptions.

48 (b) Notwithstanding any other provision of this code to the contrary, merged care
49 organizations shall not be exempt from paying insurance premium taxes imposed under sections
50 fourteen and fourteen-a, article three of this chapter. The provisions of this subsection shall be
51 effective immediately upon the passage of this amendment.

NOTE: The purpose of this bill is to clarify that merged care organizations are not exempt from paying insurance premium taxes.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.