West Virginia Offices of the Insurance Commissioner

Licensing and Education Division

FAQs for Resident and Non-Resident Business Entities

What are the definitions of business entity and insurance agency in the West Virginia Code?
"Business entity" is a corporation, association, partnership, limited liability company, or other legal entity.

"Insurance agency" is an individual, corporation, partnership, association, limited liability company, or other legal entity except for an employee of the individual, corporation, partnership, association, limited liability company, or other legal entity, and other than an insurer or an adjuster as defined by § 33-12B-1 of the West Virginia Code, which employs individuals licensed to engage in activity or whose members engage in any activity be performed only by a licensed individual insurance producer or solicitor. It shall not include sole proprietor or partnership in which there is only one licensed insurance producer.

What types of entities can be licensed?
Corporations, general partnerships, limited liability companies, limited partnerships, limited liability partnerships, sole proprietors.

Does an entity need a license to receive direct commissions?
Entities cannot sell, solicit, or negotiate insurance or receive direct commissions; however, producers may assign commissions to a licensed insurance agency. A written assignment must be maintained in your files and available for review upon the Insurance Commissioner's request.

Does an entity need a license to receive assigned commissions?
Yes, unless exempted pursuant to W. Va. Code § 33-12-23(c).

What happens if the non-resident applicant's home state does not license business entities?
In lieu of a Letter of Certification, a letter from the applicant's home state insurance department must be included with the application.

Are articles of incorporation organization/partnership agreements required to be submitted with a resident or non-resident application?
No.

Does the business entity need to name at least one designated responsible producer (DRLP) on the application?
Yes, all business entities are required to designate at least one DRLP who will be responsible for the business entity's compliance with West Virginia's insurance laws, rules, and regulations. The individual is not required to be an officer or director of the business entity; however, they **MUST** be a licensed insurance producer in West Virginia.

Is the business entity required to include a list with the application of all agents who may be selling on its behalf??
No, this list is not required to be submitted with the application; however, it is required to be available upon the Insurance Commissioner's request.

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Are agencies appointed to insurance companies in West Virginia?
No.

Do agents associated with the agency need to be appointed individually to the insurance companies?
Yes.

Does the insurance department need to approve any name or DBA prior to licensure?
No. However, an application may be rejected if a name is misleading or may be the same or similar enough to another agency to be misleading. A producer must notify the Commissioner prior to using any name other than the producer's legal name.

Are branch offices required to be licensed?
Only if the branches are considered separate legal entities.

When do changes in agency officers/directors/partners or changes to the DRLP need to be reported to the Insurance Commissioner?
The Insurance Commissioner's office must be notified, in writing, of all changes in status among its members, directors, and officers, and all other individuals designated in the application within ten (10) days of the change.

When is a sole proprietor exempt from Business Entity licensing?
If the sole proprietor is the only licensed individual in the office, a Business Entity license is not needed. An exempt sole proprietor may not have another producer employed, contracted with, or affiliated with the office and maintain the exempt status.

Under what circumstances would a Sole Proprietor need a Business Entity license?
License would be needed if there is more than one licensed individual producer employed, contracted with, or affiliated with the office.

Are business entities licensed by lines of authority?
No, business entities are not licensed according to lines of authority in West Virginia.

How do we apply for a license?
Applications should be submitted through NIPR; the WV fee for initial application and renewals are $200.

What would the license renewal date be?
Regardless of when the license is issued, all WV business entity licenses renew annually on June 30th.

If you have any additional questions, you can reach the Licensing and Education Division in the following ways:

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