

114CSR3

**LEGISLATIVE RULE
INSURANCE COMMISSIONER**

**SERIES 74
NONRENEWAL OF PROPERTY
INSURANCE POLICIES**

Section

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**SERIES 74
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§114-74-1. General.

1.1. Scope. -- This rule addresses various aspects of the alternative percentage method for the nonrenewal of property insurance policies set forth in W. Va. Code §33-17A-4a (2005), including requirements for the nonrenewal notices, the establishment of the procedure for resolving complaints by persons whose property insurance policies have been nonrenewed and the filing of underwriting standards by insurers.

1.2. Authority. -- W. Va. Code §§33-2-10 and 33-17A-4a (2005).

1.3. Filing Date. -- April 13, 2006.

1.4. Effective Date. -- April 24, 2006.

§114-74-2. Notice of Cancellation or Nonrenewal.

2.1. All nonrenewal notices issued by insurers pursuant to W. Va. Code §33-17A-4a (2005) shall state the specific reason or reasons for refusal to renew and shall advise the insured that nonrenewal of the policy for any reason is subject to a hearing and review by the Insurance Commissioner as provided in W. Va. Code §33-17A-7 (2005). The notice shall also advise the insured of possible eligibility for coverage through the West Virginia Essential Property Insurance Association or "Fair Plan." The written reason or reasons in a notice of nonrenewal must be sufficiently clear to be understood by a reasonable person; statements such as "underwriting reasons," "claims" or "increase in risk" will not be considered sufficiently clear. Nothing in this rule will prevent the insurer from providing more information in the notice relating to the reason or reasons for nonrenewal than is required by this section.

§114-74-3. Hearing Regarding Nonrenewal.

3.1. Hearing at request of policyholder or insurer. The commissioner shall review each complaint from every insured whose property insurance policy has been nonrenewed pursuant to the percentage method set forth in W. Va. Code §33-17A-4a and shall send to both the complainant and the insurer a notice as to whether the commissioner has found any violation of W. Va. Code §33-17A-4a(e). Within thirty (30) days of the date on which such notice was mailed, either party may demand a formal hearing before the commissioner.

3.2. Hearing called by Commissioner. If, after review of the complaint, the

commissioner feels a hearing is necessary to resolve the complaint, he or she may call a hearing by virtue of the authority provided in W. Va. Code §33-2-13.

3.3. Hearing. The hearing, whether it be initiated by the complainant, the insurer or the commissioner, shall be conducted in accordance with the procedures set forth in 114 CSR 13. The subject matter of the hearing will be limited to the following issues:

- a. Whether the nonrenewal notice provided at least thirty (30) days advance notice to the named insured of the insurer's intent to nonrenew the policy;
- b. Whether the decision to refuse to renew was based on a discriminatory reason;
- c. Whether the nonrenewal notice was based upon an underwriting standard found to be in violation of chapter thirty-three of the West Virginia Code; or
- d. Whether the nonrenewal causes the insurer to exceed the percentage limitation set forth in W. Va. Code §33-17A-4a(d) for either the state or the county of the policyholder's residence.

§114-74-4. Filing of Underwriting Guidelines.

4.1. Each insurer writing property insurance policies in this state shall file with the Commissioner a copy of its underwriting standards for property insurance and any subsequent modifications to the insurer's underwriting standards within thirty (30) business days after the modifications have been implemented. The commissioner will review these standards to ensure consistency with generally accepted underwriting principles.