



NEWS FROM
INSIDE THE CAPITOL



Volume 9 - Session Summary

March 12, 2014

Session Summary

As mandated by the West Virginia Constitution, the Legislature concluded their business at the stroke of midnight on Saturday, March 8, 2014, bringing an end to the regular 60-Day Session. The Legislature is currently in extended session for the budget. It is unclear at this time if the Governor will have a Special Call for any bills that either a) need to be passed or b) need to be vetoed and corrected.

For the record, 1,876 bills were introduced this session. Of those, 199 bills (104 House Bills and 95 Senate bills) completed legislation and are awaiting the Governor's signature. About 20 bills made it through the majority of the process, but never made it through the final steps in time. These bills included SB 593, authorizing issuance of limited lines travel insurance producer license. About one-third of the bills that did completed legislation were rule-making review bundles or supplemental appropriations. Thus, the saying that it is far easier to kill a bill than to pass one still rings true.

We are proud of the bills we worked on behalf of our industries to defeat. With a great deal of effort our industries will NOT see:

- **Establishment of the WV Voluntary Employee Retirement Accounts Program**
The purpose of this bill was to establish the West Virginia Voluntary Employee Retirement Accounts Program through the State. We stood against this legislation because these products were already offered in the private market.
- **Numerous workers' comp bills that sought to roll back past reforms**

IIAWV Successes

There are several bills that passed that we believe will benefit our industry. These include:

SB 88 - Relating to claims for total loss and debris removal proceeds under farmers' mutual fire insurance companies

This bill makes the statutory lien requirement on insurance proceeds for total loss to real property in favor of a municipality for the cleanup of the property applicable to farmers' mutual fire insurance companies.

SB 427 - Relating to motor vehicle insurance

This bill updates current insurance verification and penalties to reflect the electronic insurance verification program authorized previously by the Legislature.

SB 621 - Authorizing insurers offer flood insurance

This bill authorizes insurers to offer flood insurance in this state.

HB 4359 - Relating to licensure of managing general agents of insurers

This bill provides for the renewal of lapsed managing general agent licenses and sets specific application and renewal fees.

HB 4204 - Relating to the nonrenewal or cancellation of property insurance coverage policies in force for at least four years

This bill prohibits the nonrenewal or cancellation of a property insurance coverage policy as a result of certain claims arising from natural causes under certain circumstances. While we would have preferred that this subject not be addressed, it was inevitable that it was going to be. A working group came to a compromise on language that the industry could live it with.

HB 4432 - Adopting Principle Based Reserving as the method by which life insurance company reserves are calculated

This bill adopts the Principle Based Reserving (PBR) as the method by which life insurance company reserves are calculated. The bill also provides for a phase-in of the new method upon adoption of PBR by forty-two states representing 75% of life insurance premium.

Session Highlights

A major win for the business community this session was the defeat of **HB 4001, the Government Fraud Prevention Act** (earlier known as the False Claims Act). The bill provided for qui tam proceedings, which are lawsuits brought by private citizens against a person or company who is believed to have violated the law in performance of a contract with the government or in violation of a government regulation, when there is a statute which provides for a penalty for the violations.

The general business community opposed this bill, pointing out that, in this bill, there were no caps on attorney's fees, no limit on what constitutes fraud, no requirement to exhaust administrative remedies and a retroactivity provision that could extend back 10 years.

Unfortunately, with the exception of the **Future Fund**, the Legislature did little to encourage businesses to stay or relocate to the State. SB 461, Creating the Future Fund, fosters infrastructure improvements by taking excess monies in severance taxes for the establishment of the fund. It would only kick in when the annual revenues top \$75 million and then would take 25 percent of the excess. The money can only be used for economic development, infrastructure and education enhancement. Very few business friendly bills passed this session. It is our hope that 2015 will be different.

The other big bill of the session was **SB 373, Relating to Water Resources Protection**. Countless hours were spent in two Senate committees, three House committees and floor session on this piece of legislation. The final bill, that we have yet to see, is nearly 100 pages. Rules will be developed prior to the 2015 Session which will determine how the water industry and aboveground storage tanks are governed.

Study Resolutions

SCR 91 - Requesting Joint Committee on Government and Finance study group government managed retirement savings plan

When discussed in Senate Finance, HB 4375, WV Voluntary Employee Retirement Accounts Program, did not pass and was instead referred to a study committee, thus this resolution was created. It was referred to the Committee on Rules but did not complete legislation.

2015 Session

Keep in mind that good bills die in the process as well. We will be back to work on those again next year! Now is the time to start thinking about the 2015 session. If you have ideas or suggestions, please feel free to contact the IIAWV office.

Election

In West Virginia, the Primary Election will be held on May 6th and the General Election on November 4th. We encourage you to get involved in the Election process. It is important that we elect individuals that support our businesses and know our challenges. If you would like to discuss candidates, please feel free to call Jan Vineyard in the Association office.

Thanks

For those of you that got involved in the process and made phone calls or sent letters to your Delegates and Senators, we would like to thank you on behalf of our industry. Your voice does make a difference!