

## CLAIMS INFORMATION WEST VIRGINIA

Once a member insurer becomes insolvent and is placed into liquidation by a court of competent jurisdiction in the insurer's state of domicile, WVIGA becomes responsible for processing its "covered claims." Claim files from the insolvent company are forwarded to the WVIGA so that we can begin handling the claims. There are inevitably some delays in claims handling when a carrier becomes insolvent; however, we attempt to review all claims as soon as possible.

Covered claims are defined in WVIGA's statute, found at Chapter 33 Article 26 of the West Virginia Code. Generally, claims are subject to a statutory cap, which is currently \$300,000.00 or the limits of the insurance policy, whichever is less. The \$300,000.00 Statutory Cap does not apply to Workers' Compensation Claims. The policy limit for Workers' Compensation would still apply. A covered claim may also include unearned premium; that part of the premium paid in advance and unearned at the time the policy is cancelled, up to the Statutory Cap.

WVIGA is considered a property casualty insurance "safety net," and there are a number of limitations on claims that we can pay. In addition, claimants must exhaust any other forms of insurance that may cover their claim before obtaining payment from WVIGA. For a complete description of both covered claims and excluded claims, please refer to our statute.

WVIGA has the duty to defend insureds under a liability policy, as long as there is no other insurance coverage that would provide a defense, and provided that the lawsuit seeks recovery of a covered claim. When an insurer becomes impaired, all West Virginia court proceedings in which the company is obligated to defend a party or itself a party are automatically stayed for at least six months. This allows WVIGA time to obtain the files from the Receiver, review the claims and, if necessary, retain attorneys to continue the litigation.