

VIRGINIA ACTS OF ASSEMBLY -- 2000 SESSION

CHAPTER 51

An Act to amend and reenact § 38.2-216 of the Code of Virginia, relating to reinsurance restrictions; penalty.

[S 206]

Approved March 9, 2000

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-216 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-216. Restrictions on removal or transfer of property and on reinsurance; penalty.

A. No domestic insurer shall remove from this Commonwealth either all or substantially all of its property or business without the written approval of the Commission.

B. No domestic insurer shall transfer or attempt to transfer substantially its entire property, or enter into any transaction the effect of which is to merge substantially its entire property or business into the property or business of any other company, without prior written approval of the Commission.

C. No domestic insurer shall reinsure with any other insurer all or substantially all of its risks without prior written approval of the Commission of the reinsurance and of the contract under which reinsurance is effected.

D. No domestic insurer shall enter into or modify a reinsurance treaty or risk-sharing arrangement without prior written approval of the Commission if for any twelve-month period the reinsurance premium or anticipated change in the ceding insurer's liabilities equals or exceeds fifty percent of the insurer's surplus to policyholders as of the immediately preceding December 31.

~~D.~~ E. Any director or officer of the insurer consenting to and participating in any violation of this section shall be guilty of a Class 1 misdemeanor.