

State Corporation Commission
2002 Fiscal Impact Statement

1. Bill Number SB187

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron Stosch

3. Committee Passed Both Houses

4. Title Credit life and credit accident and sickness insurance.

5. Summary/Purpose: Recognizes the Insurance Commissioners 1980 Standard Ordinary (1980 CSO) mortality table (the most current mortality table in use) as the acceptable basis for developing reserves for many types of life insurance products. Currently, law references the 1958 CSO table. The bill also amends the refund section (§38.2 -3729) of the Credit Life Insurance and Credit Accident and Sickness Chapter of the Code to specify that in calculating reserves and refunds in the event of termination of insurance coverage prior to the scheduled maturity date of the indebtedness, insurers must calculate refunds using the actuarial method as opposed to the less precise Rule of 78.

6. No Fiscal Impact on state agencies

7. Budget amendment necessary: No

8. Fiscal implications: None

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: Senator Stosch introduced this bill at the request of the SCC Bureau of Insurance. Insurance industry representatives have been asking the Bureau of Insurance for years to permit Virginia to recognize the 1980 CSO table instead of the 1958 CSO table currently referenced in the statute.

Date: 2/25/02 V. Tompkins

cc: Secretary of Health and Human Resources