

State Corporation Commission

2002 Fiscal Impact Statement

1. **Bill Number** SB199

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. **Patron** Miller, Y.B.

3. **Committee** Passed Both Houses

4. **Title** Insurance regulation.

5. **Summary/Purpose:** Contains the following technical amendments:

- The Investments Chapter (Chapter 14 of Title 38.2) is amended to delete an obsolete reference to an "earning test" presently contained in § 38.2-1426; to correct an incomplete reference to the Investment Company Act of 1940 in § 38.2-1427.2; and to simplify filing requirements for insurers so that an attestation is made by an executive officer of the insurer rather than the chief executive officer is sufficient.
- The Burial Societies Chapter of the Code (Chapter 40 of Title 38.2) is amended to simplify the licensing renewal requirements for a burial society. The burial society still must obtain a surety bond in an amount not less than \$10,000 to secure the performance of the burial society's obligation to its members, but it would no longer be necessary for the burial society to file a certification of the bond with the Commission except upon Commission request. In addition, an obsolete reference to a requirement for initial licensure is deleted since current law does not permit the licensing of any new burial societies.
- The Fraternal Benefits Societies Chapter of the Code (Chapter 41 of Title 38.2) is amended so that the fraternal benefit societies are no longer required to make filings with the Commission every time amendments are made to the societies' charter or bylaws unless the Commissioner of Insurance requests the information from the society. This amendment will lessen filing requirements for the benefit of the society and the Commission.

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 Miller introduced this bill at the request of the State Corporation Commission Bureau of Insurance, and it contains some housekeeping amendments to the Insurance Title (38.2) of the Code of Virginia. The three

amendments contained in the bill all relate to financial solvency monitoring, and they all simplify filing requirements for insurers.

Date: 2/27/02 V. Tompkins

cc: Secretary of Commerce and Trade