

State Corporation Commission 2004 Fiscal Impact Statement

1. Bill Number SB355

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron Colgan

3. Committee Passed Both Houses

4. Title Insurance; domestic reciprocals.

5. Summary/Purpose: Requires attorneys-in-fact that manage reciprocal insurers to disclose fully any material transactions that are likely to impact the operations of the reciprocal and which could adversely impact its financial solvency.

6. No Fiscal Impact on state agencies

7. Budget amendment necessary: No

8. Fiscal implications: None on state agencies

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

10. Technical amendment necessary: No

11. Other comments: Most related-party transactions of insurers, other than reciprocals, are already subject to regulatory oversight in Virginia and other states because of insurance holding company statutes, which require prior approval or disclosure of material transactions between a licensed insurer and any legal person that controls, is controlled by, or is under common control with the insurer. Senate Bill 355 would apply the same requirements on reciprocals.

This bill was introduced at the request of the Bureau of Insurance.

Date: 03/03/04 / V. Tompkins

cc: Secretary of Commerce and Trade