

State Corporation Commission 2004 Fiscal Impact Statement

1. Bill Number SB372

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron Miller

3. Committee Passed Both Houses

4. Title Insurance; health maintenance organizations.

5. Summary/Purpose: Clarifies that “net worth” and the term “capital surplus” have the exact same meaning, providing a consistency among terms used when HMOs report their financial condition to regulators. Inserts a disclosure requirement for any person owning or having the right to acquire 5% or more of voting securities or subordinated debt

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: This language is based on a model law by the National Association of Insurance Commissioners (NAIC) and will make Virginia’s HMO statutes more consistent with those in other states. Uniformity among states will become even more important as the states move towards more uniform licensing requirements for insuring entities, including HMOs.

Senate Bill 372 was introduced at the request of the Bureau of Insurance.

Date: 03/04/04 / V. Tompkins

cc: Secretary of Health and Human Resources