

2005 SESSION

INTRODUCED

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SENATE BILL NO. 1059

Offered January 12, 2005

Prefiled January 12, 2005

A BILL to amend and reenact § 38.2-1057 of the Code of Virginia, relating to deposits by insurers with the State Treasurer; assessment.

Patron—Wagner

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-1057 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-1057. Assessment for expense of holding deposits.

A. For the purpose of defraying the expense of the State Treasurer's office in the safekeeping and handling of the securities or surety bonds deposited under the provisions of this title, the State Treasurer shall levy annually against each insurer an assessment of ~~not more than one tenth of one percent of the par or face value of the securities or surety bonds deposited to its account.~~ *The assessment shall be a percentage of the par or face value of the securities or surety bonds on deposit with the State Treasurer's office in each insurer's account at the end of each calendar year. The percentage shall be determined annually by the State Treasurer as the amount necessary to meet the estimated annual expenses incurred by the State Treasurer to meet the provisions of this title. The percentage shall not exceed one-fourth of one percent of the par or face value of the securities or surety bonds on deposit with the State Treasurer's office. Assessment collections that are more than actual expenses in any year shall be added to the next year's assessment calculation. The assessment shall be collected every January. No part of the amount collected shall be used to increase the compensation of any person connected with the office of the State Treasurer. ~~Whatever remains of the assessment after the payment of the expense described above shall be paid into the general fund of the state treasury.~~*

B. *All moneys collected from the annual assessment imposed under subsection A shall be paid into the state treasury and credited to a special, nonreverting fund known as the Insurance Collateral Assessment Fund which is hereby established. The Fund shall be established on the books of the Comptroller and be administered by the State Treasurer's office. Disbursements from the Fund shall be on warrants issued by the Comptroller to pay expenses associated with the safekeeping and handling of the securities or surety bonds deposited under the provisions of this title. Any moneys remaining in the Fund at the end of a fiscal year shall not revert to the general fund but shall remain in the Fund and be used to offset subsequent years' expenses as provided in subsection A.*

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