

State Corporation Commission 2006 Fiscal Impact Statement

1. Bill Number SB593

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron Watkins

3. Committee Passed Both Houses

4. Title Licenses of reinsurance intermediaries and managing general agents.

5. Summary/Purpose: Authorizes the State Corporation Commission to suspend, revoke or refuse to issue or renew the license of a managing general agent or reinsurance intermediary that attempts to transact business in Virginia as a business entity without registering with or failing to maintain its registration with the Clerk's Office of the State Corporation Commission.

6. No Fiscal Impact on the State Corporation Commission

7. Budget amendment necessary: No

8. Fiscal implications: None on the State Corporation Commission

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

10. Technical amendment necessary: No

11. Other comments: The State Corporation Commission licenses insurers, and that process involves an insurer obtaining and maintaining a certificate of authority or other evidence of regulation with the Clerk of the Commission. The Commission has the authority to suspend or revoke an insurer's license for failure to maintain its certificate of authority or other evidence of registration. Such failure is often an early warning sign of an entity in financial trouble. Senate Bill 593 will give the Commission similar authority to suspend or revoke the license of a managing general agent or reinsurance intermediary.

Senate Bill 593 was introduced at the request of the State Corporation Commission Bureau of Insurance.

Date: 03/2/06 / V. Tompkins

cc: Secretary of Commerce and Trade