

## State Corporation Commission 2007 Fiscal Impact Statement

**1. Bill Number** SB1113

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron**        Miller

**3. Committee**    Commerce and Labor

**4. Title**            Surplus lines insurance.

**5. Summary/Purpose:** Clarifies the provisions of the Code dealing with service of process of surplus lines insurance carriers. Adds “market availability” to the list of factors the Commission may use in deciding whether to approve an entity as a surplus lines carrier in Virginia. Clarifies that an alien insurer cannot be approved as a surplus lines carrier unless it maintains at least \$2.5 million in an irrevocable trust fund, in addition to capital and surplus requirements. Deletes obsolete references.

**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:** Surplus lines carriers are not licensed as insurers in Virginia. Many are non-U.S. insurers that provide the types of insurance coverages that licensed insurers do not offer in the Commonwealth. Since surplus lines carriers are not licensed insurers, information regarding their registered agent for service of process is not available on the SCC Clerk’s website, which is confusing for those trying to achieve service of process on these surplus lines carriers. To alleviate this confusion, the bill will clarify the statutory requirements for service of process for surplus lines carriers in two chapters of the Code.

This bill was introduced at the request of the State Corporation Commission’s Bureau of Insurance.

**Date:** 01/21 /07 / V. Tompkins

cc: Secretary of Commerce and Trade