

State Corporation Commission 2009 Fiscal Impact Statement

1. Bill Number: SB1352

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Enrolled

2. Patron: Wagner

3. Committee: Passed Both Houses

4. Title: Insurance holding companies.

5. Summary/Purpose: Amends § 38.2-1329 as to the declaration of a dividend or distribution by an insurer that is a member of an insurance holding company system to its shareholders. Such a declaration shall confer no rights upon shareholders until the State Corporation Commission has approved the payment of the ordinary dividend or other distribution, or until 30 days have passed since the Commission has received written notification of the declaration from the insurer. The bill also clarifies the Commission's ability to request additional information in making determinations as to disclaimers of affiliation.

6. Fiscal Impact Estimates: 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: Senate Bill 1352 was introduced at the request of the State Corporation Commission Bureau of Insurance. Under current law, the insurer is required to provide the Commission written notice only as to all dividends and other distributions at least 30 days prior to payment, and the Commission has no approval authority. The legislation also gives the Commission the ability to approve a dividend within a timeframe shorter than 30 days, which will potentially accelerate the payment of a dividend or distribution.

Date: 3/3/09 V. Tompkins

cc: Secretary of Commerce and Trade
Secretary of Health and Human Resources