

State Corporation Commission 2012 Fiscal Impact Statement

1. Bill Number: SB120

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

2. Patron: Miller, Y.B.

3. Committee: Passed Senate

4. Title: Risk-Based Capital Act.

5. Summary: Risk-Based Capital Act. Applies the Risk-Based Capital Act to fraternal benefit societies. There are also several amendments which make trend test requirements consistent among life and health, property & casualty and health organizations.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission

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 120 was introduced by the patron at the request of the State Corporation Commission. The Risk-Based Capital Act provides a way of measuring the minimum amount of capital appropriate for an insurer based on its size and risk profile, to fraternal benefit societies. The provisions of Senate Bill 120 update the Risk-Based Capital Act and make its requirements applicable to fraternal benefits societies so that these entities are subject to the same capital and surplus requirements as life insurers with whom they compete in the insurance market.

Date: 01/27/12/V. Tompkins

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