

State Corporation Commission 2013 Fiscal Impact Statement

1. Bill Number: HB2195

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: Ware, R.L.

3. Committee: Commerce and Labor

4. Title: Insurance holding companies.

5. Summary: Insurance holding companies. Amends Article 5 (§ 38.2-1322 et seq.) of Chapter 13 (Reports, Reserves & Examinations) of Title 38.2 of the Code of Virginia. The bill requires the ultimate controlling person of an insurance holding company system to submit a confidential Enterprise Risk filing; requires the parent company seeking to divest its interest in an insurance company subsidiary to provide notice to the domestic regulator prior to the divestiture. Requires the insurer's board of directors to make statements regarding the corporate governance and internal control responsibilities within the registration statement; subject the cost-sharing services and management agreements among affiliated entities to minimum reporting requirements to eliminate the potential for capital to flow out of the insurer through these types of agreements; provides regulators with explicit authority to participate in supervisory colleges; and adds confidentiality protections for information shared. The bill also adds Article 5 (§ 38.2-1322 et seq.) of Chapter 13 to the list of provisions of Title 38.2 applicable to Dental or Optometric Services Plans (Chapter 45 of Title 38.2, § 38.2-4500 et seq.), which will make the insurance holding companies statutes applicable to dental and optometric services plans.

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: House Bill 2195 is based on revisions to the National Association of Insurance Commissioner's Model Insurance Holding Company System Regulatory Act.

At the request of the SCC Bureau of Insurance, Delegate Ware asked that House Bill 2195 be stricken from the docket to allow the Bureau of Insurance the opportunity to continue work on the provisions of the bill.

Date: 01/21/13/V. Tompkins