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HOUSE BILL NO. 336

Offered January 8, 2014

Prefiled January 2, 2014

A *BILL to amend and reenact §§ 38.2-2803 and 38.2-2903 of the Code of Virginia, relating to the board of directors of insurance joint underwriting associations.*

 Patron—Bell, Robert B.

 Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

- 1. That §§ 38.2-2803 and 38.2-2903 of the Code of Virginia are amended and reenacted as follows:**
§ 38.2-2803. Directors.

A. The association shall be governed by a board of ~~fourteen~~ 14 directors. Two directors shall be appointed by each of the following ~~three~~ two insurance industry trade associations: (i) the American Insurance Association; ~~(ii) the Alliance of American Insurers;~~ and ~~(iii) the National Association of Independent Insurers~~ (ii) *the Property Casualty Insurers Association of America*. The Commission shall appoint ~~two~~ four directors to represent insurers not affiliated with the insurance industry trade associations listed above. One director shall be appointed by each of the following two agent trade associations: (a) the Independent Insurance Agents of Virginia; and (b) the Professional Insurance Agents Association of Virginia and the District of Columbia. Two directors shall be appointed by the Medical Society of Virginia, and two directors shall be appointed by the Virginia Hospital and Healthcare Association.

B. If any of the foregoing associations fail to appoint a director or directors within a reasonable period of time, the Commission shall have the power to make the appointments.

§ 38.2-2903. Directors.

A. The Association shall be governed by a board of ~~eleven~~ 11 directors, including one who shall be elected chairman. Two directors shall be appointed by each of the following ~~three~~ two insurance industry trade associations: (i) the American Insurance Association; ~~(ii) the Alliance of American Insurers;~~ and ~~(iii) the National Association of Independent Insurers~~ (ii) *the Property Casualty Insurers Association of America*. One director shall be appointed by each of the following two insurance agents' trade associations: ~~(i) (a)~~ (a) the Independent Insurance Agents of Virginia and ~~(ii) (b)~~ (b) the Professional Insurance Agents Association of Virginia and the District of Columbia. The Commission shall appoint ~~three~~ five directors not affiliated with the aforementioned trade associations. If, for any reason, any of the trade associations fail to appoint a director or directors within a reasonable period of time, the Commission shall have the power to make the appointment.

B. All board members, including the chairman, shall be appointed to serve for two-year terms beginning on a date designated by the plan.

C. Six directors shall constitute a quorum for the transaction of any business or exercise of any power of the Association. The directors of the Association shall act by vote of a majority of those present. The directors shall serve without salary, but each director shall be reimbursed for actual and necessary expenses incurred in the performance of his or her official duties as a director of the Association.

INTRODUCED

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