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SENATE BILL NO. 146

Offered January 15, 1996

A BILL to amend and reenact §§ 38.2-402, 38.2-4319 and 58.1-2508 of the Code of Virginia, relating to insurance; technical amendments; taxes applicable to insurance companies.

Patrons—Chichester and Holland

Referred to the Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That §§ 38.2-402, 38.2-4319 and 58.1-2508 of the Code of Virginia are amended and reenacted as follows:

§ 38.2-402. Definitions.

As used in this chapter:

"Assessable year" means the calendar year upon which the direct gross premium income is computed under this chapter. In the case of direct gross premium income for a fraction of a calendar year, the term includes the period in which that direct gross premium income is received or derived from business in this Commonwealth.

"Direct gross premium income" means direct gross premium as defined in § 58.1-2500.

"Estimated assessment" means the company's estimate of the amount imposed by this chapter for the license year.

"License year" means the twelve-month period beginning on July 1 next succeeding the assessable year and ending on June 30 of the subsequent year. This shall also be the year in which annual reports of direct gross premium income are required to be filed under § ~~38.2-405~~ 38.2-406 and the annual assessment paid under the provisions of this chapter.

§ 38.2-4319. Statutory construction and relationship to other laws.

A. No provisions of this title except this chapter and, insofar as they are not inconsistent with this chapter, §§ 38.2-100, 38.2-200, 38.2-210 through 38.2-213, 38.2-218 through 38.2-225, 38.2-229, 38.2-232, 38.2-316, 38.2-322, 38.2-400, 38.2-402 through 38.2-413, 38.2-500 through 38.2-515, 38.2-600 through 38.2-620, Chapter 9 (§ 38.2-900 et seq.) of this title, 38.2-1057, 38.2-1306.2 through 38.2-1309, Article 4 (§ 38.2-1317 et seq.) of Chapter 13, 38.2-1800 through 38.2-1836, 38.2-3401, 38.2-3405, 38.2-3405.1, 38.2-3407.2 through 38.2-3407.6, 38.2-3407.9, 38.2-3411.2, 38.2-~~3418~~, 38.2-3418.1, 38.2-3418.1:1, 38.2-3418.2, 38.2-3419.1, 38.2-3431, 38.2-3432, 38.2-3433, 38.2-3500, 38.2-3514.1, 38.2-3525, 38.2-3542, and Chapter 53 (§ 38.2-5300 et seq.) and Chapter 54 (§ 38.2-5400 et seq.) of this title shall be applicable to any health maintenance organization granted a license under this chapter. This chapter shall not apply to an insurer or health services plan licensed and regulated in conformance with the insurance laws or Chapter 42 (§ 38.2-4200 et seq.) of this title except with respect to the activities of its health maintenance organization.

B. Solicitation of enrollees by a licensed health maintenance organization or by its representatives shall not be construed to violate any provisions of law relating to solicitation or advertising by health professionals.

C. A licensed health maintenance organization shall not be deemed to be engaged in the unlawful practice of medicine. All health care providers associated with a health maintenance organization shall be subject to all provisions of law.

D. Notwithstanding the definition of an eligible employee as set forth in § 38.2-3431, a health maintenance organization providing health care plans pursuant to § 38.2-3431 shall not be required to offer coverage to or accept applications from an employee who does not reside within the health maintenance organization's service area.

§ 58.1-2508. Taxes applicable to insurance companies.

A. The real estate and tangible personal property, situated or located in the Commonwealth, of every such company and every fraternal benefit society transacting insurance in the Commonwealth shall be listed and assessed on the land and property books of the commissioner of the revenue in the same manner as other real estate and tangible personal property are assessed, and shall be taxed at the same rates as other like property is taxed.

B. The license tax provided in this chapter, the tax on real estate and tangible personal property provided for in subsection A, the fee assessed by the Commission for the administration of the insurance laws pursuant to § 38.2-400 et seq., and the fee assessed by the Commission for the Fire Programs Fund pursuant to § 38.2-401, *the fee assessed by the Commission for the Flood Prevention and Protection Assistance Fund pursuant to § 38.2-401.1, the fee assessed by the Commission to fund the program to*

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60 *reduce losses from motor vehicle thefts pursuant to § 38.2-414, and retaliatory amounts assessed by the*
61 *Commission pursuant to § 38.2-1026* shall be in lieu of all fees, licenses, taxes and levies whatsoever,
62 state, county, city or town; however, nothing in this section shall be construed to exempt insurance
63 companies from the tax levied in Chapter 6 of this title. No additional fee or license tax shall be
64 applicable to an agent of an insurance company other than the annual license fee on agents required
65 pursuant to Article 3 (§ 38.2-1822 et seq.) of Chapter 18 of Title 38.2.