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SENATE BILL NO. 247

Offered January 16, 1998

A BILL to amend and reenact § 38.2-1026 of the Code of Virginia, relating to insurance; retaliatory payments and reports.

Patron—Holland

Referred to the Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:**1. That § 38.2-1026 of the Code of Virginia is amended and reenacted as follows:**

§ 38.2-1026. Retaliatory provisions as to taxes, fees, deposits and other requirements.

A. When a domestic insurer or its agents are subject to regulatory costs in another state that are greater than those imposed in this Commonwealth upon insurers domiciled in that state or their agents, then the regulatory costs imposed by this Commonwealth on those foreign insurers or their agents shall be increased to equal the regulatory costs imposed by the other state on the domestic insurer or its agents. For the purpose of this section, regulatory cost includes (i) any deposits of securities, (ii) payment of taxes, fines, penalties or fees exacted for the privilege of doing business or (iii) any restitutions, obligations or conditions necessary for doing business.

B. For the purposes of this section an alien insurance company shall be considered domiciled in the state wherein it has the largest amount of its assets held in trust and on deposit for the benefit of its policyholders, or of its policyholders and creditors in the United States. An insurance company incorporated in Canada shall be considered domiciled in Canada.

C. Any foreign or alien insurance company subject to this section shall annually, on or before March 1, file a report with the Commission which compares the regulatory costs imposed on such insurer by this Commonwealth during the preceding calendar year to the regulatory costs that would have been imposed on a similar insurer domiciled in this Commonwealth by such insurer's state of domicile during the preceding calendar year. This report shall be filed on a form and in such detail as prescribed by the Commission. Amounts owed due to the equalization of the regulatory costs imposed on such insurer by this Commonwealth and the regulatory costs of such insurer's state of domicile shall be remitted to the Commission on or before March 1 of each year. Upon the failure of any insurance company to pay amounts due under this section before the date herein prescribed, the Commission shall impose a penalty of ten percent of the amount due and interest shall be charged at a rate established pursuant to § 58.1-15 for the period between the due date and the date of full payment.

INTRODUCED

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