

State Corporation Commission 2008 Fiscal Impact Statement

1. Bill Number: SB207

House of Origin	<u>X</u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Stosch

3. Committee: Commerce and Labor

4. Title: Foreign and alien insurers; exemption for insuring industrial insureds.

5. Summary/Purpose: Amends requirements to qualify as an industrial insured. The bill allows for the use of a qualified insurance consultant for procuring insurance coverage; increases the aggregate annual premium requirements from \$25,000 to \$100,000; and requires a minimum amount of gross assets or annual gross revenues in order to meet the definition of industrial insured.

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

7. Budget amendment necessary: No

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: The bill was introduced at the request of the State Corporation Commission's Bureau of Insurance. An industrial insured is defined as an insured with at least 25 full-time employees; with a full-time employee acting as an insurance manager to procure insurance coverages; and aggregate annual premiums for insurance on all risks (excluding life, annuity and accident/sickness) of at least \$25,000. Those insureds who meet the definition are exempt from regulation by the Bureau of Insurance. The Bureau of Insurance is aware that certain foreign and alien insurers are transacting the business of insurance in Virginia without a license by relying on the industrial insured exemption, which has not been updated in Virginia law in many years. Increasing the thresholds will require more foreign and alien insurers issuing insurance contracts to industrial insureds to become licensed or approved as a surplus lines carrier under Title 38.2.

Date: 01/13 /08 / V. Tompkins
cc: Secretary of Commerce and Trade