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SENATE BILL NO. 532

Offered January 11, 2012

A *BILL to amend and reenact §§ 38.2-402, 38.2-403, and 38.2-406 of the Code of Virginia and to repeal §§ 38.2-407 through 38.2-411 of the Code of Virginia, relating to the Bureau of Insurance maintenance assessment.*

Patron—Colgan

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That §§ 38.2-402, 38.2-403, and 38.2-406 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~~ 12-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 § 38.2-406 and the annual assessment paid under the provisions of this chapter.

§ 38.2-403. Assessment for expenses.

The Commission shall assess each company annually for its just share of expenses. The assessment shall be in proportion to direct gross premium income for the year immediately preceding that for which the assessment is made. The Commission shall give the companies notice of the assessment which shall be paid to the Commission on or before March 1 of each year for deposit into the state treasury as provided in subsection B of § 38.2-400. Any company that fails to pay the assessment on or before the date herein prescribed shall be subject to a penalty imposed by the Commission. The penalty shall be ten percent of the assessment and interest shall be charged at a rate pursuant to § 58.1-1812 for the period between the due date and the date of full payment. If a payment is made in an amount later found to be in error, the Commission shall, (i) if an additional amount is due, notify the company of the additional amount and the company shall pay the additional amount within fourteen days of the date of the notice or, (ii) if an overpayment is made, order a refund as provided for in subsection B of § 38.2-410.

§ 38.2-406. Report of gross premium income.

Each company subject to assessment under this chapter shall, on or before March 1 of each year, report under oath to the Commission, upon forms to be furnished or approved by, and in such detail as may be prescribed by, the Commission, the direct gross premium income derived from its business in this Commonwealth during the preceding year ending December 31. *Every company failing to file the assessment report on or before March 1 shall be subject to a penalty of \$50 for each day after the report is due. If such failure is due to providential or other good cause shown to the satisfaction of the Commission, such report may be accepted exclusive of penalties.*

2. That §§ 38.2-407 through 38.2-411 of the Code of Virginia are repealed.

INTRODUCED

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