

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. Senate Bill 1464

PRINTER'S NO. 2205

AMOUNT

No Fiscal Impact

FUND

General Fund

DATE INTRODUCED

March 29, 2012

PRIME SPONSOR

Senator D. White

HISTORY OF BILL

Referred to BANKING AND INSURANCE, March 29, 2012

Reported as committed, April 2, 2012

First consideration, April 2, 2012

Re-referred to APPROPRIATIONS, April 30, 2012

Re-reported as amended, May 22, 2012

DESCRIPTION AND PURPOSE OF BILL

SB 1464 amends the Insurance Company Law to define "enterprise risk" as an activity, circumstance, event or series of events involving one or more affiliates of an insurer that, if not remedied promptly, would likely have a material adverse effect on the financial condition of liquidity of an insurer or its insurance holding company system, including but not limited to, anything that would:

1. Trigger a company action level event for the insurer; or
2. Cause the insurer to be deemed to be in hazardous financial condition under the Insurance Company Law or coordinating regulations.

Provides additional tools to enhance the regulation of insurer groups including all those entities within an insurance company's holding company structure.

Provides for enhancement of communications between regulators.

Establishes supervisory colleges.

Facilitates group-wide supervision of multi-jurisdictional insurance groups.

Provides for access and collection of information and for enforcement measures.

Effective in 60 days except for a section permitting disclaimer of affiliation which shall become effective on January 1, 2013.

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FISCAL NOTE

Amendment A10432 identifies the required reporting date for the annual enterprise risk report.

Various technical changes.

FISCAL IMPACT:

Senate Bill 1464 will have no fiscal impact to the Commonwealth. All expenses that the Insurance Department will incur from the provisions of this bill are charged to and paid by the applicable regulated entity.