

Session 109 - (1991-1992)

H*3508 (Rat #0037, Act #0013 of 1991) General Bill, By House Labor, Commerce and Industry

A Bill to amend the Code of Laws of South Carolina, 1976, by adding Sections 38-9-200, 38-9-210, and 38-9-220 so as to provide reinsurance credits and liability reductions allowed for domestic ceded insurers and define terms; to amend the 1976 Code by adding Section 38-21-125 so as to provide for acquisitions of insurers not covered by the Insurance Holding Company Regulatory Act; to amend the 1976 Code by adding Chapter 26 to Title 38 so as to provide for the Administrative Supervision of Insurers Act; to amend the 1976 Code by adding Section 38-27-100 so as to provide for the conduct of insurance proceedings begun before the effective date of the Insurers Supervision, Rehabilitation, and Liquidation Act; to amend the 1976 Code by adding Section 38-27-110 so as to provide for payments to a guaranty association when an insurer is subject to a delinquency proceeding; to amend Section 38-5-120, relating to the revocation and suspension of insurance certificates of authority, so as to provide standards for determining hazardous insurance proceedings and authorize the Chief Insurance Commissioner to take action when an insurer is in an unsound or a hazardous condition; to amend Section 38-9-10, relating to capital and surplus of stock insurers, so as to increase the required amounts, authorize the Chief Insurance Commissioner to require additional initial capital and surplus, and provide for the initial capital and surplus; to amend Section 38-9-20, relating to surplus of mutual insurers, so as to increase the required amounts, authorize the Commissioner to require additional initial surplus, and provide for initial surplus; to amend Section 38-9-30, relating to capital and surplus of insurers licensed on July 1, 1988, so as to change the date to July 1, 1991, change related dates determining application of the Section, and provide requirements for an insurer which is the subject of a change of control; to amend Section 38-9-170, relating to unearned premium reserves of insurers, so as to revise the circumstances under which deductions may be made from reserves; to amend Section 38-9-190, relating to loss and claim reserves of insurers, so as to revise the circumstances under which credit for reinsurance is allowed as an asset or a deduction from reserves; to amend Section 38-11-10, relating to legislative intent pertaining to investments by insurers, so as to establish standards for the development and administration of investments; to amend Section 38-11-50, relating to limitations on the investments, so as to provide for the valuation of investments and promulgation of related regulations; to amend Section 38-21-90, relating to the Insurance Commissioner's approval of an acquisition of control of an insurer, so as to provide for application of the competitive standard; to amend Section 38-21-140, relating to the content of insurance registration statements, so as to include a pledge of the insurer's stock for a loan made to a member of the Insurance Holding Company System; to amend Section 38-21-270, relating to notice and approval of extraordinary dividends and distributions by insurers, so as to revise the determination of an extraordinary dividend and distribution; to amend Section 38-27-10, relating to the cite for the "Insurers Supervision, Rehabilitation, and Liquidation Act", so as to delete "supervision"; to amend Section 38-27-40, relating to application of the Act, so as to add prepaid health care delivery plans; to amend Sections 38-27-50, 38-27-230, and 38-27-310, relating to definitions, hearings, and rehabilitation under the Act, so as to delete the references to "valid" as it applies to "order" and Section 38-27-210, Insurance Commissioner's orders and supervision; to amend Section 38-27-370, relating to orders to liquidate an insurer, so as to provide for a plan for the continued performance of a defendant company's policy claims obligations during the pendency of an appeal; to amend Section 38-27-400, relating to the powers of a liquidator, so as to authorize the audit of the books and records of agents of the insurer and provide that a liquidator is not obligated to defend or continue to defend claims after the entry of a liquidation order; to amend Section 38-27-610, relating to the priority of distribution of claims from an insurer's estate, so as to include in Class 3 claims of federal, state, and local governments for losses incurred, "loss claims", and exclude those claims from Class 5; to amend Section 38-27-950, relating to proceedings instituted by the Insurance Commissioner, so as to delete the reference to Section 38-27-210, orders and supervision; to amend Section 38-33-100, relating to certificates of authority for health maintenance organizations, so as to increase the net worth requirements, provide requirements for a stock health maintenance organization, and provide for organizations in compliance with the law on December 31, 1990; to amend Section 38-55-30, relating to limitation of risk by insurers, so as to apply the limitation to captives and define the term; to amend Section 38-87-40, relating to out-of-state chartered risk retention groups, so as to provide for the examination regarding financial condition to be conducted in accordance with the National Association of Insurance Commissioners' Examiner's Handbook instead of the standards and procedures applicable to examinations of admitted insurers; to amend Section 38-87-90, relating to the purchase of liability insurance from a nonstate approved surplus lines insurer, so as to provide the conditions under which insurance may be purchased from a risk retention group not chartered or an insurer not admitted in the State; and to repeal Section 38-27-210 relating to the Insurance Commissioner's orders and supervision.

02/13/91 House Introduced, read first time, placed on calendar without reference HJ-13

02/14/91 House Read second time HJ-8

02/19/91 House Read third time and sent to Senate HJ-8

02/20/91 Senate Introduced, read first time, placed on calendar without reference SJ-8

02/28/91	Senate	Amended SJ-17
02/28/91	Senate	Read second time SJ-21
02/28/91	Senate	Unanimous consent for third reading on next legislative day SJ-21
03/01/91	Senate	Read third time and returned to House with amendments SJ-1
03/06/91	House	Concurred in Senate amendment and enrolled HJ-38
03/19/91		Ratified R 37
03/22/91		Signed By Governor
03/22/91		Effective date 03/22/91
03/22/91		Act No. 13
04/09/91		Copies available