

Session 117 - (2007-2008)

S 1270 General Bill, By Thomas

Summary: Captive insurance company

A BILL TO AMEND SECTIONS 38-90-40 AND 38-90-50, BOTH AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE CAPITALIZATION REQUIREMENTS AND FREE SURPLUS REQUIREMENT OF A CAPTIVE INSURANCE COMPANY, SO AS TO DELETE THE REQUIREMENT OF BEING NO MORE THAN TEN CELLS FOR A SPONSORED CAPTIVE INSURANCE COMPANY; TO AMEND SECTION 38-90-60, AS AMENDED, RELATING TO THE INCORPORATION OPTIONS AND REQUIREMENTS OF A PURE CAPTIVE INSURANCE COMPANY, SO AS TO DELETE CERTAIN REQUIREMENTS OF A COMPANY FORMED AS A CORPORATION AS A LIMITED LIABILITY COMPANY OR AS A RECIPROCAL INSURER; TO AMEND SECTION 38-90-70, AS AMENDED, RELATING TO REPORTS REQUIRED TO BE SUBMITTED TO THE DIRECTOR OF INSURANCE BY A CAPTIVE INSURANCE COMPANY, SO AS TO GIVE AUTHORITY TO THE DIRECTOR TO WAIVE OR GRANT AN EXTENSION TO THE FILING REQUIREMENT; TO AMEND SECTION 38-90-80, AS AMENDED, RELATING TO INSPECTIONS AND EXAMINATIONS OF CAPTIVE INSURANCE COMPANIES BY THE DIRECTOR, SO AS TO INCREASE FROM THREE TO FIVE YEARS THE TIME FOR THE INSPECTION AND EXAMINATION OF THESE COMPANIES AND DELETE THE AUTHORIZATION OF THE DIRECTOR TO ENLARGE THE THREE-YEAR PERIOD TO FIVE YEARS IF THE COMPANY IS SUBJECT TO A COMPREHENSIVE ANNUAL AUDIT; TO AMEND SECTION 38-90-90, RELATING TO THE SUSPENSION OR REVOCATION OF THE LICENSE OF A CAPTIVE INSURANCE COMPANY, SO AS TO AUTHORIZE THE DIRECTOR TO IMPOSE A FINE INSTEAD OF SUSPENDING OR REVOKING A LICENSE; TO AMEND SECTION 38-90-130, RELATING TO THE PARTICIPATION OF A CAPTIVE INSURANCE COMPANY IN A PLAN, POOL, ASSOCIATION OF GUARANTY OR INSOLVENCY FUND, SO AS TO EXEMPT PARTICIPATION IN A POOL FOR THE PURPOSES OF COMMERCIAL RISK SHARING IS NOT PROHIBITED UNDER THE PROVISIONS OF THIS SECTION; TO AMEND SECTION 38-90-175, AS AMENDED, RELATING TO THE CREATION OF THE "CAPTIVE INSURANCE REGULATORY AND SUPERVISION FUND", SO AS TO PROVIDE THAT THE TRANSFER OF FUNDS FROM THE CAPTIVE INSURANCE REGULATORY AND SUPERVISION FUND MUST BE PURSUANT TO A REPORT PROVIDED TO THE TREASURER SPECIFYING THE PERCENTAGE OF TAXES TO BE TRANSFERRED NOT TO EXCEED FIFTY PERCENT; TO AMEND SECTION 38-90-180, AS AMENDED, RELATING TO THE APPLICABILITY OF CERTAIN PROVISIONS TO CAPTIVE INSURANCE COMPANIES, SO AS TO SPECIFY THAT THE PROVISION IN CHAPTERS 26 AND 27 OF TITLE 38 APPLY; AND TO AMEND SECTION 38-90-440, AS AMENDED, RELATING TO THE AUTHORITY OF A SPECIAL PURPOSE FINANCIAL CAPTIVE (SPFC) TO APPLY FOR A LICENSE TO CONDUCT BUSINESS, SO AS TO CHANGE THE MANNER IN WHICH A NONREFUNDABLE FEE IS ASSESSED FOR PROCESSING THE SPFC'S APPLICATION FOR A LICENSE WHICH IS A MINIMUM OF TWELVE THOUSAND DOLLARS.

04/09/08 Senate Introduced and read first time SJ-4

04/09/08 Senate Referred to Committee on Banking and Insurance SJ-4