

House Calendar

Wednesday, February 22, 2023

50th DAY OF THE BIENNIAL SESSION

House Convenes at 3:00 P.M.

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ORDERS OF THE DAY

NOTICE CALENDAR

Favorable with Amendment

H. 76

An act relating to captive insurance

Rep. Chase of Chester, for the Committee on Commerce and Economic Development, recommends the bill be amended by striking all after the enacting clause and inserting in lieu thereof the following:

Sec. 1. 8 V.S.A. § 6045 is amended to read:

§ 6045. BRANCH CAPTIVE REPORTS

Prior to March ~~1~~ 15 of each year, or with the approval of the Commissioner within ~~60~~ 75 days after its fiscal year-end, a branch captive insurance company shall file with the Commissioner a copy of all reports and statements required to be filed under the laws of the jurisdiction in which the alien captive insurance company is formed, verified by oath of two of its executive officers. If the Commissioner is satisfied that the annual report filed by the alien captive insurance company in its domiciliary jurisdiction provides adequate information concerning the financial condition of the alien captive insurance company, the Commissioner may waive the requirement for completion of the captive annual statement for business written in the alien jurisdiction.

Sec. 2. 8 V.S.A. § 6014(h) is amended to read:

(h) Annually, ~~11~~ 13 percent of the premium tax revenues collected pursuant to this section shall be transferred to the Department of Financial Regulation for the regulation of captive insurance companies under this chapter.

Sec. 3. 8 V.S.A. § 6034a is amended to read:

§ 6034a. INCORPORATED PROTECTED CELLS

* * *

(c) The articles of incorporation or articles of organization of an incorporated protected cell shall refer to the sponsored captive insurance company for which it is a protected cell and shall state that the protected cell is incorporated or organized for the limited purposes authorized by the sponsored captive insurance company's license. A copy of the prior written approval of the Commissioner to add the incorporated protected cell, required by subdivision 6034~~(11)~~(8) of this title, shall be attached to and filed with the articles of incorporation or the articles of organization.

(d)(1) An incorporated protected cell formed after May 7, 2015 or established prior to the effective date of this act shall have its own distinct name or designation, which shall include the words “Incorporated Cell” or the abbreviation “IC.” or, in the alternative, such incorporated protected cell may instead choose to have its own distinct name or designation consistent with the naming conventions in subdivisions (2)(A)–(C) of this subdivision, as applicable. The provisions of Title 11A V.S.A., chapter 4 and Title 11B V.S.A., chapter 4 shall not apply to the naming of incorporated protected cells.

(2) An incorporated protected cell formed or established on or after the effective date of this act shall have its own distinct name or designation as follows:

(A) If the incorporated protected cell is formed or established as a corporation, mutual corporation, or nonprofit corporation, its name or designation shall include the words “Incorporated Cell” or the abbreviation “IC.” The provisions of 11A V.S.A. chapter 4 and 11B V.S.A. chapter 4 shall not apply to the naming of such incorporated protected cell.

(B) If the incorporated protected cell is formed or established as a limited liability company, its name or designation shall include the word “Cell.” In addition, 11 V.S.A. § 4005 shall apply to the naming of such incorporated protected cell.

(C) If the incorporated protected cell is formed or established as a reciprocal insurer, its name or designation shall include the word “Cell.” In addition, subdivision 4834(1) of this title shall apply to the naming of such incorporated protected cell.

* * *

Sec. 4. 8 V.S.A. § 6048k(d) is amended to read:

(d) Unless otherwise approved in advance by the Commissioner, all ~~original~~ books, records, documents, accounts, vouchers, and agreements shall be preserved and kept available in this State for the purpose of examination and inspection and until such time as the Commissioner approves the destruction or other disposition of such books, records, documents, accounts, vouchers, and agreements. If the Commissioner approves the keeping of the items listed in this subsection outside this State, the special purpose financial insurance company shall maintain in this State a complete and true copy of each such ~~original item~~. Books, records, documents, accounts, vouchers, and agreements may be photographed, reproduced on film, or stored and reproduced electronically.

Sec. 5. 8 V.S.A. § 6049h(c) is amended to read:

(c) Unless otherwise approved in advance by the Commissioner, all ~~original~~ books, records, documents, accounts, vouchers, and agreements shall be preserved and kept available in this State for the purpose of examination and inspection and until such time as the Commissioner approves the destruction or other disposition of such books, records, documents, accounts, vouchers, and agreements. If the Commissioner approves the keeping outside this State of the items listed in this subsection, the affiliated reinsurance company shall maintain in this State a complete and true copy of each such ~~original item~~. Books, records, documents, accounts, vouchers, and agreements may be photographed, reproduced on film, or stored and reproduced electronically.

Sec. 6. 8 V.S.A. § 6002(c) is amended to read:

(c)(1) Before receiving a license, a captive insurance company shall:

(A) File with the Commissioner a copy of its organizational documents and any other statements or documents required by the Commissioner.

(B) Submit to the Commissioner for approval a description of the coverages, deductibles, coverage limits, and rates, together with such additional information as the Commissioner may reasonably require. In the event of any subsequent material change in any item in such description, the captive insurance company shall submit to the Commissioner for approval an appropriate revision and shall not offer any additional kinds of insurance until a revision of such description is approved by the Commissioner. The captive insurance company shall inform the Commissioner of any material change in rates within 30 days of following the adoption of such change.

(2) Each applicant captive insurance company shall also file with the Commissioner evidence of the following:

(A) the amount and liquidity of its assets relative to the risks to be assumed;

(B) the adequacy of the expertise, experience, and character of the person or persons who will manage it;

(C) the overall soundness of its plan of operation;

(D) the adequacy of the loss prevention programs of its insureds; ~~and~~

(E) its beneficial ownership, sponsorship, or membership; and

(F) such other factors deemed relevant by the Commissioner in ascertaining whether the proposed captive insurance company will be able to meet its policy obligations.

(3) Information submitted pursuant to this subsection, including any subsequent updates, amendments, or revisions of or to such information, shall be and remain confidential, and may not be made public by the Commissioner or an employee or agent of the Commissioner without the written consent of the company, except that:

* * *

Sec. 7. EFFECTIVE DATE

This act shall take effect on passage.

(Committee Vote: 11-0-0)

Rep. Anthony of Barre City, for the Committee on Ways and Means, recommends the bill ought to pass when amended as recommended by the Committee on Commerce and Economic Development and when further amended as follows:

By striking out Sec. 7, effective date, in its entirety and inserting in lieu thereof a new Sec. 7 to read as follows:

Sec. 7. EFFECTIVE DATES

This act shall take effect on passage, except that Sec. 2 (concerning the percentage of premium tax revenue transferred to the Department of Financial Regulation) shall take effect on July 1, 2023.

(Committee Vote: 11-0-1)

For Informational Purposes

CROSSOVER DATES

The Joint Rules Committee established the following crossover deadlines:

(1) All **Senate/House** bills must be reported out of the last committee of reference (including the Committees on Appropriations and Finance/Ways and Means, except as provided below in (2) and the exceptions listed below) on or before **Friday, March 17, 2023**, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day – Committee bills must be voted out of Committee by **Friday, March 17, 2023**.

(2) All **Senate/House** bills referred pursuant to Senate Rule 31 or House Rule 35(a) to the Committees on Appropriations and Finance/Ways and Means must be reported out by the last of those committees on or before **Friday**,

March 24, 2023, and filed with the Secretary/Clerk so they may be placed on the Calendar for Notice the next legislative day.

Note: The Senate will not act on bills that do not meet these crossover deadlines, without the consent of the Senate Rules Committee.

Exceptions to the foregoing deadlines include the major money bills (the general Appropriations bill (“The Big Bill”), the Transportation Capital bill, the Capital Construction bill and the Fee/Revenue bills).

NOTICE OF JFO GRANTS AND POSITIONS

Grants and Positions that have been submitted to the Joint Fiscal Committee by the Administration, under 32 V.S.A. §5(b)(3)(D):

JFO #3138: One (1) limited-service position, Statewide Grants Administrator, to the Agency of Administration, Department of Finance and Management to cover increased grant activity due to the Covid-19 pandemic. The position is funded through Act 185 of 2022. Sec G.801 of the Act appropriates ARPA funds for administrative costs related to the pandemic. This position is funded through 12/31/2026. The grant packet can be found at:

<https://ljfo.vermont.gov/assets/grants-documents/ec01b0bea7/JFO-3138-packet.pdf>

[Received February 9, 2023]

JFO #3137: One (1) limited-service position to the Vermont Department of Health, Senior Health Asbestos and Lead Engineer, to perform senior professional level work to educate, advise on and enforce Vermont asbestos and lead control regulations. The position is funded through 9/30/2024 through an existing Environmental Protection Agency grant. The grant packet can be found at: <https://ljfo.vermont.gov/assets/grants-documents/a44b7c8cac/JFO-3137-packet-v2.pdf>

[Received 1/23/2023]

JFO #3136: \$5,000,000.00 to the Agency of Administration, Public Service Department, VT Community Broadband Board (VCBB) from the National Telecommunications and Information Administration, Broadband Equity, Access and Deployment Program to deliver broadband to unserved and underserved areas in Vermont. This is a 5-year grant and will fill in the technical gaps existing in the VCBB’s program of broadband deployment. The

grant packet can be found at: <https://ljfo.vermont.gov/assets/grants-documents/3d7b96fcb1/JFO-3136-packet.pdf>
[Received 1/23/2023]