

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Judiciary to which was referred House Bill No. 28  
3 entitled “An act relating to including an affirmation option in oath  
4 requirements in Titles 1–10 of the Vermont Statutes Annotated” respectfully  
5 reports that it has considered the same and recommends that the bill be  
6 amended as follows:

7 First: By striking out Sec. 69, 8 V.S.A. § 4588, in its entirety and inserting  
8 in lieu thereof a new Sec. 69 to read as follows:

9 Sec. 69. 8 V.S.A. § 4588 is amended to read:

10 § 4588. ANNUAL REPORT TO COMMISSIONER

11 Annually, on or before March 1, a medical service corporation shall file  
12 with the Commissioner of Financial Regulation a statement sworn to or  
13 affirmed by the president and treasurer of the corporation showing its condition  
14 on December 31, which shall be in such form and contain such matters as the  
15 Commissioner shall prescribe. To qualify for the tax exemption set forth in  
16 section 4590 of this title, the statement shall include a certification that the  
17 medical service corporation operates on a nonprofit basis for the purpose of  
18 providing an adequate medical service plan to individuals of the State, both  
19 groups and nongroups, without discrimination based on age, gender,  
20 geographic area, industry, and medical history, except as allowed by 33 V.S.A.  
21 § 1811(f)(2)(B).

1        Second: By striking out Sec. 71, 8 V.S.A. § 6004(d), in its entirety and  
2 inserting in lieu thereof a new Sec. 71 to read as follows:

3        Sec. 71. 8 V.S.A. § 6004(d) is amended to read:

4            (d) Within 30 days after commencing business, each captive insurance  
5 company shall file with the Commissioner a statement under oath or  
6 affirmation of its president and secretary or, in the case of a captive insurance  
7 company formed as a limited liability company or as a reciprocal insurer, of  
8 two individuals authorized by the governing board certifying that the captive  
9 insurance company possessed the requisite unimpaired, paid-in capital and  
10 surplus prior to commencing business.

11        Third: By striking out Sec. 72, 8 V.S.A. § 6007(b), in its entirety and  
12 inserting in lieu thereof a new Sec. 72 to read as follows:

13        Sec. 72. 8 V.S.A. § 6007(b) is amended to read:

14            (b) Prior to March 1 of each year, and prior to March 15 of each year in the  
15 case of pure captive insurance companies, association captive insurance  
16 companies, sponsored captive insurance companies, industrial insured captive  
17 insurance companies, or agency captive insurance companies, each captive  
18 insurance company shall submit to the Commissioner a report of its financial  
19 condition, verified by oath or affirmation of two of its executive officers or, in  
20 the case of a captive insurance company formed as a limited liability company  
21 or as a reciprocal insurer, of two individuals authorized by the governing

1 board. Each captive insurance company shall report using generally accepted  
2 accounting principles, statutory accounting principles, or international financial  
3 reporting standards unless the Commissioner requires, approves, or accepts the  
4 use of any other comprehensive basis of accounting, in each case with any  
5 appropriate or necessary modifications or adaptations thereof required or  
6 approved or accepted by the Commissioner for the type of insurance and kinds  
7 of insurers to be reported upon, and as supplemented by additional information  
8 required by the Commissioner. As used in this section, statutory accounting  
9 principles shall mean the accounting principles codified in the NAIC  
10 Accounting Practices and Procedures Manual. Upon application for  
11 admission, a captive insurance company shall select, with explanation, an  
12 accounting method for reporting. Any change in a captive insurance  
13 company's accounting method shall require prior approval. Except as  
14 otherwise provided, each risk retention group shall file its report in the form  
15 required by subsection 3561(a) of this title, and each risk retention group shall  
16 comply with the requirements set forth in section 3569 of this title. The  
17 Commissioner shall by rule propose the forms in which pure captive insurance  
18 companies, association captive insurance companies, sponsored captive  
19 insurance companies, and industrial insured captive insurance companies shall  
20 report. Subdivision 6002(c)(3) of this title shall apply to each report filed

1 pursuant to this section, except that such subdivision shall not apply to reports  
2 filed by risk retention groups.

3 Fourth: By striking out Sec. 73, 8 V.S.A. § 6024(c), in its entirety and  
4 inserting in lieu thereof a new Sec. 73 to read as follows:

5 Sec. 73. 8 V.S.A. § 6024(c) is amended to read:

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7 (c) A dormant captive insurance company that has been issued a certificate  
8 of dormancy shall:

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\* \* \*

10 (2) prior to March 15 of each year, submit to the Commissioner a report  
11 of its financial condition, verified by oath or affirmation of two of its executive  
12 officers or, in the case of a captive insurance company formed as a limited  
13 liability company or as a reciprocal insurer, of two individuals authorized by  
14 its governing board, in a form as may be prescribed by the Commissioner; and

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\* \* \*

16 Fifth: By striking out Sec. 105, effective date, in its entirety and inserting in  
17 lieu thereof a new Sec. 105 to read as follows:

18 Sec. 105. EFFECTIVE DATE

19 This act shall take effect on January 1, 2027.

1 (Committee vote: \_\_\_\_\_)

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\_\_\_\_\_

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Representative \_\_\_\_\_

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FOR THE COMMITTEE