

**DIVISION OF INSURANCE REGULATION
ACTIVITIES FOR THE FISCAL YEAR ENDING JUNE 30, 1995**

The regulation of insurance was transferred to the State Corporation Commission from the Auditor of Public Accounts in 1906. The Bureau has licensed and examined the affairs of insurance companies since that time. Regulation of insurance has been left almost exclusively to state governments since 1869, and here in Virginia the functions of the Bureau of Insurance have increased with the complexity and importance of insurance in our daily lives.

The Bureau of Insurance has four separate departments. There are three line departments, Financial Regulation, Market Regulation for Property and Casualty Insurance, and Market Regulation for Life and Health Insurance, and one staff department, Administration. The line units conduct the day-to-day operations of monitoring company and agent activities, while the staff department works in an auxiliary role to support the line units.

The Bureau is involved in a variety of regulatory functions which can be categorized into five areas. They include: (1) The examination and evaluation of companies to assure that they are financially sound and capable of meeting their contractual obligations. (2) The Bureau also reviews and studies rates and policies to insure that insurance products offered in this State are understandable, are of high quality, and that the premiums charged are reasonable and fair. (3) The Bureau also monitors the services and benefits provided by companies to determine if they are consistent with policy provisions, fairly and equitably delivered, and understandable. (4) In addition, the Bureau checks new entrants into the insurance business and monitors the conduct of existing ones to determine if they are competent, knowledgeable, and conduct their activities in accordance with acceptable standards of business conduct. (5) The Bureau is also actively engaged in improving its present operations by identifying, and resolving areas of regulatory concern before significant problems develop.

SUMMARY OF 1995 ACTIVITIES

New insurance companies licensed to do business in Virginia	32
Insurance company financial statements analyzed	6,051
Financial examinations of insurance companies conducted	31
Property and Casualty insurance rules, rates, and form submissions	5,530
Life and Health insurance policy forms and rate submissions	6,155
Property and Casualty insurance complaints received	4,556
Life and Health insurance complaints received	3,823
Market conduct examinations completed by the Life and Health Division	8
Market conduct examinations completed by the Property and Casualty Division	8
Insurance agents and agencies licensed	87,882
Tax and Assessment Audits	6,000

**COMPARISON OF FEES AND TAXES COLLECTED BY THE BUREAU OF INSURANCE
FOR FISCAL YEARS ENDING JUNE 30, 1994, AND JUNE 30, 1995**

<u>Kind</u>	<u>1994</u>	<u>1995</u>	<u>Increase or (Decrease)</u>
<u>General Fund</u>			
Gross Premium Taxes of Insurance Companies	\$196,416,402.91	\$209,784,063.00	\$13,367,660.09
Fraternal Benefit Societies Licenses	500.00	500.00	0.00
Hospital, Medical, and Surgical Plans & Salesmen's Licenses	51,750.00	65,040.00	13,290.00
Interest on Delinquent Taxes	1,265.72	129,584.00	128,318.28
Penalty of non-payment of taxes by due date	73,177.39	103,266.00	30,088.61
<u>Special Fund</u>			
Company License Application Fee	14,000.00	18,000.00	4,000.00
Prepaid Legal Service License Fee	0.00	0.00	0.00
Health Maintenance Organization License Fee	500.00	500.00	0.00
Automobile/Agent Licenses	7,704.00	7,494.00	(210.00)
Insurance Premium Finance Companies License	12,300.00	11,300.00	(1,000.00)
Agents Appointment Fees	5,365,070.00	5,659,610.00	294,540.00
Surplus Lines Broker Licenses	13,775.00	14,970.00	1,195.00
Agents License Application Fees	259,995.00	295,365.00	35,370.00
Recording, Copying, and Certifying Public Records Fee	47,337.01	59,303.00	11,965.99
Assessments to Insurance Companies for Maintenance of the Bureau of Insurance	6,682,583.87	7,985,842.00	1,303,258.13
Miscellaneous Revenue	0.19	3.00	2.81
Recovery of Prior Year Expenses	32,350.19	111,932.00	79,581.81
Fire Programs Fund	8,718,677.58	9,038,388.00	319,710.42
Licensing P&C Consultants	38,450.00	41,850.00	3,400.00
SCC Bad Check Fee	25.00	75.00	50.00
Fines Imposed by the State Corporation Commission	1,137,283.00	6,083,650.00	4,946,367.00
Private Review Agents	13,000.00	26,500.00	13,500.00
Flood Assessment Fund	151,393.72	139,185.00	(12,208.72)
Heat Assessment Fund	682,943.46	748,111.00	65,167.54
Reinsurance Intermediary Broker Fees	2,500.00	2,000.00	(500.00)

Reinsurance Intermediary Manager Fees	500.00	0.00	(500.00)
Managing General Agents	3,500.00	6,500.00	3,000.00
Bank Conversion Investigation Fee	0.00	0.00	0.00
State Publication Sales	720.00	660.00	(60.00)
TOTAL	\$219,727,704.04	\$240,333,691.00	\$20,605,986.96