

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN

2023 (FIRST) Regular Session

VOTING RECORD

NAME	Aye	Nay	Not Voting/ Abstained	Out During Roll Call	Absent	Excused
Senator Chris Barnett	✓					
Senator Frank Blas, Jr.		✓				
Senator Joanne Brown	✓					
Senator Christopher M. Dueñas		I ✓				
Senator Thomas J. Fisher		✓				
Senator Jesse A. Lujan	✓					
Vice Speaker Tina Rose Muña Barnes	✓					
Senator William A. Parkinson		✓				
Senator Sabina Flores Perez	✓					
Senator Roy A. B. Quinata	✓					
Senator Joe S. San Agustin	✓	I				
Senator Dwayne T. D. San Nicolas		✓				
Senator Amanda L. Shelton	✓					
Senator Telo T. Taitague	✓					
Speaker Therese M. Terlaje	✓					

TOTAL

10

5

0

0

Aye

Nay

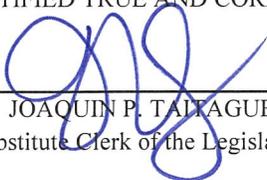
Not
Voting/
Abstained

Out
During
Roll Call

Absent

Excused

CERTIFIED TRUE AND CORRECT:



JOAQUIN P. TAITAGUE
Substitute Clerk of the Legislature

I = Pass

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN
2023 (FIRST) Regular Session

Bill No. 122-37 (COR)

As amended by the Committee on Environment,
Revenue and Taxation, Labor, Procurement, and
Statistics, Research, and Planning; and
substituted on the Floor.

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Introduced by:

Sabina Flores Perez
Therese M. Terlaje
Joanne Brown

**AN ACT TO ADD NEW §§ 15310.1, 15310.2, AND 15310.3
TO ARTICLE 3 OF CHAPTER 15, TITLE 22, GUAM
CODE ANNOTATED, RELATIVE TO THE
DECLARATION OF INSURANCE DIVIDENDS, LOANS,
AND ADVANCES.**

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that for more than a decade, Guam's Insurance Commissioners have recognized the
4 need to modernize Guam's Insurance Law, as a matter of necessity, in order to
5 protect consumers. One important safeguard is ensuring that insurance companies
6 maintain required levels of capital and surplus for their policyholders through
7 several measures, including regulating the distribution of extraordinary dividends,
8 and other distributions, loans, and advances in order to ensure the solvency of
9 insurers.

10 Therefore, it is the intent of *I Liheslaturan Guåhan* to promote the financial
11 health of insurers by regulating the distribution of extraordinary dividends, and other

1 distributions, loans, and advances in order to advance consumer protection and a
2 level playing field within the insurance sector.

3 **Section 2.** A new § 15310.1 is hereby *added* to Article 3 of Chapter 15, Title
4 22, Guam Code Annotated, to read:

5 **“§ 15310.1. Requirements on Declaration of Dividends.**

6 (a) In accordance to rules and regulations promulgated by the
7 Commissioner pursuant to the Administrative Adjudication Law found in
8 Chapter 9, Title 5 Guam Code Annotated, no domestic company may pay any
9 extraordinary dividend or make any other extraordinary distribution to its
10 shareholders until:

11 (1) thirty (30) days after the Commissioner has received
12 notice of the declaration thereof and has not within such period
13 disapproved the payment; or

14 (2) the Commissioner approves such payment within the
15 thirty (30)-day period.

16 (b) For purposes of this Section, an extraordinary dividend or
17 distribution is any dividend or distribution of cash or other property whose
18 fair market value, together with that of other dividends or distributions, made
19 within the period of twelve (12) consecutive months ending on the date on
20 which the proposed dividend is scheduled for payment or distribution exceeds
21 the lesser of:

22 (1) ten percent (10%) of the company's surplus as regards to
23 policyholders as of the 31st day of December next preceding; or

24 (2) the net income of the company for the twelve (12)-month
25 period ending on the 31st day of December next preceding, but does not
26 include pro rata distributions of any class of the company's own
27 securities.

1 (c) Notwithstanding any other provision of law, the company may
2 declare an extraordinary dividend or distribution which is conditional upon
3 the Commissioner's approval, and such a declaration confers no rights upon
4 security holders until:

5 (1) the Commissioner has approved the payment of the
6 dividend or distribution; or

7 (2) the Commissioner has not disapproved the payment within
8 the thirty (30)-day period referred to in this Section.”

9 **Section 3.** A new § 15310.2 is hereby *added* to Article 3 of Chapter 15, Title
10 22, Guam Code Annotated, to read:

11 **“§ 15310.2. Loans and Advances.**

12 No domestic company may make loans or advances to any Officer,
13 Director, Shareholder or affiliated company without prior approval by the
14 Insurance Commissioner in accordance to the rules and regulations
15 promulgated by the Commissioner pursuant to the Administrative
16 Adjudication Law found in Chapter 9, Title 5, Guam Code Annotated.”

17 **Section 4.** A new § 15310.3 is hereby *added* to Article 3 of Chapter 15 of
18 Title 22, Guam Code Annotated, to read:

19 **“§ 15310.3. Request Disapproval; Written Demand for a Hearing to
20 Determine the Reasonableness of the Disapproval.**

21 In the event that the Commissioner of Banking and Insurance disapproves the
22 request for the distribution of extraordinary dividends and/or loans and advances
23 outlined in §§ 15320.1 and 15310.2, respectively, the Commissioner of Banking
24 and Insurance shall notify the person in writing, advising of the reason for the
25 disapproval. The person whose request was denied may make written demand upon
26 the Commissioner of Banking and Insurance pursuant to Chapter 9, Title 5, Guam
27 Code Annotated, for a hearing before the Commissioner of Banking and Insurance

1 to determine the reasonableness of the disapproval. The hearing shall be held
2 pursuant to the Administrative Adjudication Law found in Chapter 9, Title 5, Guam
3 Code Annotated.”

4 **Section 5. Promulgation of Rules and Regulations.** The Banking and
5 Insurance Commissioner shall promulgate rules and regulations in compliance with
6 the Administrative Adjudication Law found in Chapter 9, Title 5, Guam Code
7 Annotated, within one hundred eighty (180) days upon enactment of this Act.

8 **Section 6. Severability.** If any provision of this Act or its application to any
9 person or circumstance is found to be invalid or inorganic, such invalidity shall not
10 affect other provisions or applications of this Act which can be given effect without
11 the invalid provisions or application, and to this end the provisions of this Act are
12 severable.

13 **Section 7. Effective Date.** This Act shall be effective upon enactment.