

State Corporation Commission

2001 Fiscal Impact Statement

1. **Bill Number** HB2434

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Bolvin

3. **Committee** Corporations, Insurance & Banking

4. **Title** Insurance unfair trade practices; illegal rebates.

5. **Summary/Purpose:** Creates a new category of practice considered illegal rebates. Prohibits the giving or offering, as an inducement to purchase or renew insurance, any special favor related to the line of credit or loan portfolio.

6. **No Fiscal Impact**

7. **Budget amendment necessary:** No

8. **Fiscal implications:** None

9. **Specific agency or political subdivisions affected:** State Corporation Commission
Bureau of Insurance

10. **Technical amendment necessary:** No

11. **Other comments:** This bill was introduced by Delegate Bolvin at the request of the Independent Insurance Agents of Virginia (IIAV). The Bureau of Insurance believes that the substance of this legislation is sufficiently addressed in the language of proposed subsection A 8 of Section 38.2-513 in House Bill 2157, which was introduced by Delegate Morgan to address the requirements of the federal Gramm-Leach-Bliley Financial Services Modernization Act. To satisfy the concerns of the IIAV, the Commissioner of the Bureau of Insurance has agreed to issue an Administrative Letter outlining precisely what depository institutions are and are not permitted to do. House Bill 2266, introduced by Delegate Ware appears to be a companion bill. House Bill 2434 has been assigned to subcommittee 2.

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