

State Corporation Commission
2002 Fiscal Impact Statement

1. Bill Number HB199

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron Callahan

3. Committee Passed Both Houses

4. Title Change of insurance agent of record.

5. Summary/Purpose: Revises the section in the Agents Chapter in Title 38.2 of the Code of Virginia that relates to the payment and sharing of commissions. The change of the agent of record will not be effective unless the new agent of record is duly appointed. The new agent must be paid all commissions paid for the policy beginning no later than the next anniversary date of the policy after the change. This does not include commissions or other compensation payable under the insurer's plan of retirement or deferred compensation with the agent. The request for changing the agent of record must be in writing and must include the policyholder's name and address; insurer's name and address; policy number; name and address of the new agent of record; date of request; policyholder's signature and signature of acceptance by new agent. The bill does not require an insurer to appoint an agent of record, change existing contracts with an agent that provides direct compensation in lieu of commissions, or require payment of full commissions to a new agent when the original agent or current agent continues to have responsibility for processing and other matters regarding the policyholder. The insurer must advise the current agent of record in writing before the effective date of the change. The law change takes effect September 1, 2002.

6. No Fiscal Impact on state agencies

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: None

11. Other comments: None

Date: 3/12/02/V. Tompkins

cc: Secretary of Health and Human Resources