

# State Corporation Commission

## 2002 Fiscal Impact Statement

1. **Bill Number** SB154

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

2. **Patron** Norment

3. **Committee** Commerce and Labor

4. **Title** Insurance rates; large commercial risks.

5. **Summary/Purpose:**

Allows coverages for certain large commercial risks to be exempt from rate and form filing requirements. Large commercial risks must meet certain criteria in order for the exemption to apply. They must have a risk manager, and they must meet at least two of several other criteria, one of which is having annual aggregate insurance premiums in excess of \$100,000.

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:** No

11. **Other comments:** Under current law, the aggregate insurance premium amount that must be met in order to be exempt from rate and form filing requirements cannot be made up of premiums from professional liability or workers' compensation insurance. Senate Bill 154 changes that requirement by eliminating any restrictions on the lines of insurance that can make up the \$100,000 annual aggregate premium. That will make it easier for some large commercial insurance policyholders to achieve the \$100,000 threshold, although a risk management and at least two of the other criteria contained in §38.2-1903.1 must still be met. This is one additional step in the de-regulation of commercial lines insurance, which is the trend in other states.

**Date:** 1/21/02 V. Tompkins

cc: Secretary of Commerce and Trade