

State Corporation Commission

2002 Fiscal Impact Statement

1. **Bill Number** SB438

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

2. **Patron** Williams

3. **Committee** Commerce and Labor

4. **Title** Insurance agents; business entities.

5. **Summary/Purpose:** Deletes the provision that requires the authority of a corporation to act as an insurance agent or agency to be specifically set forth in its charter in the current section. The bill deletes the requirement that the authority of a limited liability company to act as an insurance agent be set forth in its articles of organization, or article of incorporation for a corporation, or certificate of limited partnership for a limited partnership in the section that will become effective on 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:** No, but see item #11

11. **Other comments:** The State Corporation Commission Bureau of Insurance offered Senator Williams the following technical amendments on Senate Bill 438 to clarify language that should have been more understandable in 2001 Senate Bill 913, the rewrite of Chapter 18 (Insurance Agents Chapter) of Title 38.2 that Senator Wampler introduced last session at the request of the State Corporation Commission Bureau of Insurance. The technical comments were as follows:

In order to clarify the meaning of subsection D of §38.2 -1822, and to make it more consistent with §38.2 -1836, the Bureau of Insurance suggests the following amendment:

Page 2, Line 77, after "however,"

Strike "the Commission may also require
Insert "if the nonresident business entity is"

Page 2, Line 77, after "corporation"

Strike“to”
Insert“itshall”

Page2,Line78,after“authority”

Insert “totransactbusinessintheCommonwealth”

Page2,Line78,afterthefirstoccurrenceof“or”

Insert“ifitis”

Page2,Line78,after“company”

Strike“to”
Insert“or limitedpartnership,itshall”

Page2,Line78,after“registration”

Strike“, or a limited partnership to obtain a certificate of limited
partnershipfromtheclerkoftheCommission”
Insert “to transact business in the Commonwealth pursuant to
Title13 .1orTitle50,asthecasemaybe,”

Page2,Line80,after“before”

Strike“issuing”
Insert “theCommissionissues”

Date: 1/29/02V.Tompkins