

**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** Passed Senate

**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. The engrossed version of the bill also requires a nonresident business entity that is a corporation to obtain a certificate of authority to transact business in Virginia, or, if it is a limited liability company or limited partnership, it must obtain a certificate of registration to transact business in Virginia pursuant to Title 13.1 or Title 50, before the Commission issues a license to the entity.

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: The State Corporation Commission Bureau of Insurance offered Senator Williams the technical amendments that were the basis of the engrossed version of Senate Bill 438 to clarify language from 2001 Senate Bill 913, the rewrite of Chapter 18 (Insurance Agents Chapter) of Title 38.2.

**Date:** 2/11/02 V. Tompkins