

## State Corporation Commission 2004 Fiscal Impact Statement

**1. Bill Number** HB363

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

**2. Patron**       Hargrove

**3. House**       Passed Both Houses

**4. Title**       Legal service plans.

**5. Summary/Purpose:** Amends § 38.2-1800, repeals § 38.2-4415, and adds Chapter 34.1 to Title 59.1 in the Trade and Commerce Title. The bill deletes the term “legal services plan authority” from the Insurance agents licensing chapter (Section 38.2-1800 et seq.) and repeals the section in the legal services plan chapter that requires licensure of those soliciting legal services subscription contracts under the agents licensing chapter. The bill requires registration with the Commissioner of the Virginia Department of Agriculture and Consumer Services, and payment of an annual \$50.00 registration fee. The bill also includes a late filing fee of \$25.00, and a \$100.00 fee for selling contracts prior to registration. Matters subject to Title 38.2 are not subject to the new chapter in Title 59.1. Fees are to be used by the Department of Agriculture and Consumer Services for administration of the chapter. The bill provides that agent licenses issued under Title 38.2 are to continue in effect for 90 days after the effective date of the bill. The Board of the Department of Agriculture and Consumer Services is to prescribe regulations for legal services plan sellers. The Commissioner of Agriculture and Consumer Services may investigate violations of the chapter and may request records from legal services plan sellers. Violations of the chapter are class 3 misdemeanors and are subject to enforcement provisions of the Virginia Consumer Protection Act (§ 59.1-196 et seq.).

**6.** No Fiscal Impact on the Bureau of Insurance. There may be fiscal implications on the Department of Agriculture and Consumer Services.

**7. Budget amendment necessary:** No

**8. Fiscal implications:** None on the Bureau of Insurance; however, there may be some fiscal implications on the Department of Agriculture and Consumer Services.

**9. Specific agency or political subdivisions affected:** State Corporation Commission Bureau of Insurance; Department of Agriculture and Consumer Services.

**10. Technical amendment necessary:** No

**11. Other comments:** The Bureau of Insurance worked with interested parties, including the Department of Agriculture and Consumer Services, on this legislation. The bill simply moves

the regulatory authority for oversight of the individuals selling (i.e. “enrolling”) these legal services plans. .

**Date:** 03/15/04 / V.Tompkins

cc: Secretary of Commerce and Trade