

State Corporation Commission 2004 Fiscal Impact Statement

1. Bill Number HB736

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

2. Patron Hargrove

3. Committee Commerce and Labor

4. Title Liability Insurance on motor vehicles, aircraft and watercraft.

5. Summary/Purpose: Allows insurers that issue policies of motor vehicle liability insurance to exclude coverage for punitive damages. The bill makes similar amendments to § 38.2-2206 with regard to uninsured motorist coverage.

6. No fiscal impact

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: HB 736 will allow automobile insurers to exclude coverage for punitive damages. The Bureau of Insurance recently surveyed the other states to obtain statistics regarding the exclusion of punitive damages. According to the results, 16 states do not allow insurers to provide coverage for punitive damages, and 32 states allow insurers to provide coverage for punitive damages. Of the 32 states that allow insurers to provide coverage for punitive damages, at least 8 states allow insurers to exclude them. There may be other states that allow such exclusions; some states failed to respond to the Bureau survey.

Date: 01/27/04 / V. Tompkins

cc: Secretary of Commerce and Trade