

State Corporation Commission 2005 Fiscal Impact Statement

1. Bill Number HB1882

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron Hargrove

3. Committee Passed Both Houses

4. Title Miscellaneous casualty insurance; notices; policy provisions.

5. Summary/Purpose: Requires insurers that issue policies of miscellaneous casualty insurance to comply with the notice requirements of § 38.2-231 of the Code of Virginia pertaining to cancellations, non-renewals, rate increases, and reductions in coverage. Also requires that policies which indemnify against liability for injury to a person's economic interests must be subject to the provisions of § 38.2-2200 of the Code of Virginia pertaining to insolvency, bankruptcy, and unsatisfied judgments.

6. No Fiscal Impact on the State Corporation Commission

7. Budget amendment necessary: No

8. Fiscal implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: House Bill 1882 is in follow-up to 2004 House Bill 221. When subsection B of § 38.2-111 was added to the Code of Virginia, reference to the new definition of "miscellaneous casualty insurance" was inadvertently omitted from the two sections of the Code of Virginia that are the subject of House Bill 1882. This bill will require writers of miscellaneous liability insurance to comply with the requirements of § 38.2-231. Insurers will have to give notice of cancellation and non-renewal as well as providing coverage in case of bankruptcy, i.e. if the insured declares bankruptcy, the insurer is not relieved of its obligations under the contract.

Date: 03/02/05 / V. Tompkins

cc: Secretary of Commerce and Trade