

**State Corporation Commission
2005 Fiscal Impact Statement**

1. Bill Number HB2225

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron Rust

3. Committee Commerce and Labor

4. Title Homeowners insurance; exclusion for inherently hazardous object or condition.

5. Summary/Purpose: Allows an insurer, with the named insured's written consent, to exclude under a policy written to insure an owner-occupied dwelling any portion of the risk that may be reasonably classified by the insurer as an inherently hazardous object or condition of the property.

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 2225 further amends § 38.2-2128, which was enacted in 2004 pursuant to House Bill 1007. Section 38.2-2128 requires the insurer to file with the Commission uniform policy forms that will be used by the insurer to exclude coverage. The insurer must make available to the Bureau of Insurance the documentation that substantiates the reason for the exclusion as well as the signed exclusion which must be notarized or witnessed.

This type of exclusion will allow insurance companies to exclude coverage for certain types of out-buildings, playground equipment, etc. and still continue to offer owner-occupied dwelling insurance coverage to policyholders with these types of equipment/buildings. Policyholders have to agree to and sign a document acknowledging their consent to the exclusion.

Date: 01/24/05 / V. Tompkins

cc: Secretary of Commerce and Trade