

VIRGINIA ACTS OF ASSEMBLY -- 2007 SESSION

CHAPTER 449

An Act to amend and reenact § 38.2-1839 of the Code of Virginia, relating to contracts for insurance consultants.

[H 1957]

Approved March 19, 2007

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-1839 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-1839. Contract required; placement of insurance for public bodies.

A. A licensed insurance consultant *that does not sell, solicit or negotiate insurance as part of his services* shall enter into a written contract with his client prior to any act as a consultant in this Commonwealth. *A licensed insurance consultant that does sell, solicit or negotiate insurance in this Commonwealth as part of his services shall enter into a written contract with his client prior to the purchase of any insurance by that client.* The contract shall include, without limitation, the amount and basis of any consulting fee and the duration of employment. If the insurance consultant may also receive commissions, incentives, bonuses, overrides, or any other form of remuneration either directly or indirectly as a result of his services for selling, soliciting, or negotiating insurance as a part of his services in addition to a consulting fee, unless otherwise prohibited, such information shall be disclosed in the contract.

B. No insurance consultant may provide or offer to provide, directly or indirectly, insurance products to a public body while concurrently and on its behalf (i) evaluating proposals from other insurance agents and (ii) recommending the placement of insurance.