

State Corporation Commission 2007 Fiscal Impact Statement

1. Bill Number HB1957

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed

Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron Hargrove

3. Committee Commerce and Labor

4. Title Insurance consultants, licensed; must enter into written contracts prior to consulting.

5. Summary/Purpose: Requires those consultants that do not sell, solicit or negotiate insurance to enter into a written contract with clients prior to acting as a consultant. Consultants that sell, solicit or negotiate insurance will be required to enter into a written contract with clients before the clients purchase insurance.

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: Under § 38.2-1839 of the Code of Virginia, all consultants are required to enter into a written contract with clients prior to taking any action as a consultant. The Independent Insurance Agents of Virginia (IIAV) sought legislation on behalf of their insurance consultant members to clarify § 38.2-1839 so that consultants have a better understanding of when a signed written agreement with the client is required for purposes of compliance with § 38.2-1839. The Bureau of Insurance worked with the IIAV on the language of the bill.

The engrossed version of HB 1957 contains a technical amendment on Line 16 to specify that the client of the insurance consultant referred to on Line 16 is the same client referenced on Line 15.

Date: 01/17/07 / V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources