

## 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**    Passed Both Houses

**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 provisions of the bill.

**Date:** 02/26/07 V. Tompkins

cc: Secretary of Commerce and Trade

Secretary of Health and Human Resources