State Corporation Commission
2007 Fiscal Impact Statement

1. **Bill Number**   HB2001

   House of Origin   ☐ Introduced   ☐ Substitute   ☐ Engrossed

   Second House   ☐ In Committee   ☐ Substitute   ☒ Enrolled

2. **Patron**   Kilgore

3. **Committee**   Passed Both Houses

4. **Title**   Life insurance; insurable interest requirement.

5. Summary/Purpose: Amends and reenacts §38.2-301 of the Code of Virginia in the life, accident and sickness provisions chapter, relating to insurable interest. In the case of a trustee, the lawful and substantial economic interest required in subdivision 2 of § 38.2-301 shall be deemed to exist whether the life insurance policy is owned by a trustee before, on or after July 1, 2005. A second enactment clause states that the provisions of the bill shall not apply to policies or contracts of life insurance currently or subsequently issued where: (i) a charitable organization headquartered in Virginia executed a nondisclosure and exclusivity agreement prior to December 31, 2004, (ii) such charitable organization was the holder of a charity certificate issued by a business trust prior to December 31, 2004; and (iii) the policies or contracts of life insurance are written pursuant to such agreement on the lives of individuals who, prior to December 31, 2004, were donors to such charitable organization or an organization under common control with such organization.

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: HB 2001 was requested by the VA Bar Association. The second enactment clause is intended to permit any charitable organization that satisfies the criteria set forth in (i), (ii) and (iii) to continue to acquire charity certificates following the enactment of HB 2001.

Date: 02/26/07 / V. Tompkins
cc: Secretary of Health and Human Resources