

State Corporation Commission 2007 Fiscal Impact Statement

1. Bill Number HB2908

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Spruill

3. Committee: Committee on Commerce and Labor

4. Title: Motor vehicle insurance; rate increases.

5. Summary/Purpose: Prohibits insurers from increasing the premium for a renewal of a motor vehicle policy as the result of any claim made under the policy due to an accident for which the insured was neither wholly nor partially at fault. Also requires that within 15 days of receipt by the insured of the notice of a premium increase (prohibited under the new language in subsection L of § 38.2-2212), the insured has the right to request review of the increase by the Commissioner of 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: The Bureau of Insurance advised the patron that § 38.2-1905 already contains a prohibition against insurers increasing their insured's premium as a result of a motor vehicle accident unless the accident was caused either wholly or partially by the named insured, a resident of the same household, or other customary operator. The section also requires the insurer to give written notice if the premium is increased as a result of a motor vehicle accident. That notice must advise the insured of the insured's right to appeal the increase to the Commissioner of Insurance who determines if the increase was justified.

Date: 01/21/07 / V. Tompkins

cc: Secretary of Commerce and Trade