

State Corporation Commission 2007 Fiscal Impact Statement

1. Bill Number HB3055

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Purkey

3. Committee Commerce and Labor

4. Title Miscellaneous casualty insurance; burglary and theft insurance.

5. Summary/Purpose: Adds language to the definition of miscellaneous property and casualty insurance under § 38.2-111 to allow inclusion of provisions obligating the insurer to pay medical, hospital, surgical, funeral expenses, and death and dismemberment benefits, arising out of the death, dismemberment, sickness, or injury if caused by or incidentally caused by a cause of loss insured under a policy of miscellaneous casualty insurance. Language is added to the definition of burglary and theft under § 38.2-113 to state that any policy of burglary and theft insurance may include provisions obligating the insurer to pay medical, hospital, surgical, funeral expenses, and death and dismemberment benefits, arising out of the death, dismemberment, sickness, or injury if caused by or incidentally caused by a cause of loss insured under a policy insuring burglary or theft.

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 State Corporation Commission Bureau of Insurance worked with interested parties on the language of this bill. The legislation will make new insurance products available in Virginia and make Virginia consistent with other states by allowing insurers to provide additional coverage for miscellaneous casualty and burglary/theft insurance policies. For example, insurers would be able to provide coverage for the death of or injury to a person when the death or injury is linked to the kidnapping or while the person is held captive. Kidnap/ransom insurance is included in the definition of burglary and theft insurers. Home invasion coverage could also be written. Insurers would be able to provide coverage for death or medical expenses generated by an injury that occurs while a person is traveling when the injury or death is related to the trip. Trip cancellation insurance (reimbursement of expenses associated with cancellation of a trip) would be included in the definition of miscellaneous casualty

insurance. Similar coverages have been allowed in automobile insurance policies for years because the definition of motor vehicle insurance includes the permissive language contained in House Bill 3055.

Date: 01/21/07 / V. Tompkins

cc: Secretary of Commerce and Trade