

State Corporation Commission 2008 Fiscal Impact Statement

1. Bill Number: HB298

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Hargrove

3. Committee: Passed Both Houses

4. Title: Surplus lines insurance; diligent effort requirement.

5. Summary/Purpose: Removes the requirement that a surplus lines broker make a diligent effort to place coverage with an admitted insurer at a premium acceptable to the insured.

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 current law, surplus lines brokers are required to make a good faith search for insurance among admitted insurers resulting in declinations of coverage by three unaffiliated admitted insurers licensed and authorized to write in Virginia the insurance coverage sought. Surplus lines brokers may see the three-declination requirement as unnecessary since brokers are already aware of which companies write certain lines of insurance and which do not. House Bill 298 was introduced by the patron at the request of a local agent's association.

Date: 02/27/08 / V. Tompkins
cc: Secretary of Commerce and Trade