

State Corporation Commission 2008 Fiscal Impact Statement

1. Bill Number: SB264

House of Origin	<u>X</u>	Introduced	<u> </u>	Substitute	<u> </u>	Engrossed
Second House	<u> </u>	In Committee	<u> </u>	Substitute	<u> </u>	Enrolled

2. Patron: Deeds

3. Committee: Commerce and Labor

4. Title: Fire insurance; family day homes.

5. Summary/Purpose: Prohibits homeowners insurers from non-renewing or refusing to issue a policy written to insure an owner-occupied dwelling solely because of the operation by the insured of a licensed family day home on the insured premises. The bill also stipulates that coverage for liability in connection with a family day home is not provided under the homeowners policy and may only be provided by endorsement or under a separate insurance policy.

6. Fiscal Impact Estimates: 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: The State Corporation Commission Bureau of Insurance offered the patron of Senate Bill 264 the following technical comments:

- If the intent is to require insurers to write *homeowners* policies, Bureau staff would suggest that the word “homeowners” be added before the word “policy” on line 125 of the bill.
- The Bureau suggested the patron consider deleting the language on lines 113 through 116 and on lines 127 through 130 beginning with the word “however” in both sections, since this language does not add any prohibitions and is unnecessary. Generally, homeowners policies do not provide any liability or property coverage for any business operation unless specifically endorsed onto the policy.
- On lines 113 and 127, reference is made to § 63.2-1701 of the Code of Virginia, which is not limited to family day homes. Therefore, the patron may wish to refer to the definition of a family day home under § 63.2-100 as well as the licensing/registration requirements of §§ 63.2-1701 and 63.2-1704. Otherwise, this language may be ambiguous.

11. Other comments: None

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Date: 01/19/08 / V. Tompkins

cc: Secretary of Commerce and Trade