

State Corporation Commission 2009 Fiscal Impact Statement

1. Bill Number: HB2655

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

2. Patron: Sickles

3. Committee: Passed House

4. Title: Interest on accident and sickness claim proceeds.

5. Summary: Adds a subsection F relating to interest on accident and sickness claim proceeds. The provisions of § 38.2-3407.1 shall not apply to claims proceeds payable to an out-of-state provider of pharmacy services for pharmacy services rendered outside the Commonwealth. Notwithstanding, this section shall apply to claims proceeds payable to such an out-of-state provider if the state where such services are rendered fails to provide for the payment of interest on the claims proceeds. If interest is payable upon the claim proceeds paid to the policyholder, insured, claimant or assignee entitled thereto, such interest shall be computed daily at the legal rate of interest from the 30th day following the insurer's receipt of proof of loss to the date of claim payment.

6. Fiscal Impact Estimates: None 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 and its Bureau of Insurance

10. Technical Amendment Necessary: No

11. Other Comments: The objective of the legislation is to exempt out-of-state providers from Virginia's regulatory jurisdiction regarding insurers' requirements for prompt payment. As a result of discussion among interested parties, the amended language in subsection F contained in the amendment in the nature of a substitute provides that interest requirements will not apply to claims associated with out-of-state pharmacy providers when and if the state in which the pharmacy is located asserts its jurisdiction. If the state in which the pharmacy is located does not assert its jurisdiction, then the interest provision of subsection F statute will apply.