

State Corporation Commission 2010 Fiscal Impact Statement

1. Bill Number: HB93

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: Kilgore

3. Committee: House Floor

4. Title: **Uninsured motorist insurance; liability insurer relieved of costs of defending owner in claim.**

5. Summary: Permits the liability insurer providing coverage for the person who owns an underinsured vehicle to make an irrevocable offer in writing to pay the full amount of the coverage available for bodily injury and property damage liability and to give written notice of such offer to any insurer providing underinsured motorist coverage with respect to the loss. The liability insurer is then relieved of the cost of defending the owner or operator of the underinsured motor vehicle, and the underinsured motorist insurer(s) shall assume the cost of defending the underinsured motor vehicle owner or operator. However, the liability insurer shall retain the duty to defend the owner or operator of the underinsured motor vehicle. If coverage is provided by more than one underinsured motorist insurer, the cost to defend the owner or operator of the underinsured motor vehicle shall be assumed in the same order of priority as set forth in the section 38.2-2206 B with regard to payment of underinsured motorist benefits.

6. No Fiscal Impact on the State Corporation Commission. See Item 8.

7. Budget amendment necessary: No

8. Fiscal implications: None on the State Corporation Commission. If House Bill 93 was enacted, insurers may need some computer systems changes. According to insurers, however, the frequency of these types of claims is small, so the fiscal impact should not be significant.

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: No.

Date: 01/31/10 V. Tompkins
cc: Secretary of Commerce and Trade