

State Corporation Commission 2010 Fiscal Impact Statement

1. Bill Number: HB 93

House of Origin ☐ Introduced ☐ Substitute ☒ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Kilgore

3. Committee: Commerce and Labor

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 wrongdoer 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 for the wrongdoer is then relieved on 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 of the wrongdoer shall retain the duty to defend the owner or operator of the underinsured motor vehicle. If more than one underinsured motorist insurer provides coverage, 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. The passage of House Bill 93 may require insurers to make some needed computer systems changes. According to insurers, however, the frequency of these types of claims is minimal, 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: The amendments contained in the engrossed version of House Bill 93 contains language which makes it clear that the liability insurer of the wrongdoer remains liable for all legal costs incurred prior to making the irrevocable offer of the limits of its policy.

Date: 02/18/10 V. Tompkins
cc: Secretary of Commerce and Trade