

## State Corporation Commission 2011 Fiscal Impact Statement

**1. Bill Number:** HB1458

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

**2. Patron:** Marshall, R.G.

**3. Committee:** Commerce and Labor

**4. Title:** Retained asset accounts; requirements for insurance companies licensed in State.

**5. Summary:** Use of retained asset accounts; requirements. Adds Article 1.1 to Chapter 31 of Title 38.2 of the Code of Virginia, setting forth the requirements for use of retained asset accounts by insurance companies licensed in Virginia. An insurer must obtain written consent from either the beneficiary or policy owner prior to transferring the proceeds to a retained asset account; a retained asset account shall not be the default method of payment; and insurers are required to report on their annual statement to the Commission various information regarding the retained asset accounts they have in place. Sets forth disclosure requirements that the insurer must provide to the beneficiary or policy owner, including claimant/beneficiary statement forms which include a list of all available payment options; and a written disclosure form prior to transferring the proceeds to a retained asset account, which includes settlement options, rights and obligations, and other information pertaining to the use of a retained asset account. The disclosure form may also include any other information that the Commission may require. The disclosure form is required to be signed by the beneficiary or policy owner. Failure to meet the requirements of the Article will be considered an unfair trade practice under Chapter 5 (§ 38.2-500 et seq.). Applies to any claims submitted on or after October 1, 2011.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** None on the State Corporation Commission

**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. See Item 11.

**11. Other Comments:** House Bill 1458 may have been based on an early draft of the National Conference of Insurance Legislators *Beneficiaries' Bill of Rights*. A final version of the model was adopted in November, 2010.

**Date:** 1/23/11 V. Tompkins  
**cc:** Secretary of Commerce and Trade  
Secretary of Health and Human Resources