State Corporation Commission 2010 Fiscal Impact Statement

Bill Number	:: HB53	39			
House of Orig	in X	Introduced	Substitute	Engrossed	
Second House		In Committee	Substitute	Enrolled	
Patron:	Marshal	l, D.W.			
3. Committee: Commerce and Labor					
Title:	Group accident and sickness insurance coverage; minimum number of covered persons.				
5. Summary: Provides that if a group of at least two members has a decrease to less than two members, not including spouses or minor children, during a policy term, an insurer cannot cancel the policy or otherwise affect the validity of the policy or coverage until the next expiration or renewal date.					
No Fiscal Im	pact on t	the State Corpo	oration Commissio	on	
7. Budget amendment necessary: No					
,	House of Original Second House Patron: Committee: Title: Summary: Formula Formula of the policy or other was date. No Fiscal Important to the policy of the	House of Origin X Second House Patron: Marshal Committee: Commented Title: Group a covered Summary: Provides and the composition of the covered and the covered are also as policy or otherwise at the covered and the covered are also as policy or otherwise at the covered and the covered are also as policy or otherwise at the covered and the covered are also as policy or otherwise at the covered are also as a covered are also as a covered are als	Patron: Marshall, D.W. Committee: Commerce and Labor Title: Group accident and s covered persons. Summary: Provides that if a group embers, not including spouses or minor policy or otherwise affect the validit newal date. No Fiscal Impact on the State Corporation.	House of Origin X Introduced Substitute Second House In Committee Substitute Patron: Marshall, D.W. Committee: Commerce and Labor Title: Group accident and sickness insurance covered persons. Summary: Provides that if a group of at least two meanbers, not including spouses or minor children, during a policy or otherwise affect the validity of the policy or newal date. No Fiscal Impact on the State Corporation Commission	House of Origin X Introduced Substitute Engrossed Second House In Committee Substitute Enrolled Patron: Marshall, D.W. Committee: Commerce and Labor Title: Group accident and sickness insurance coverage; minimum number covered persons. Summary: Provides that if a group of at least two members has a decrease to less than embers, not including spouses or minor children, during a policy term, an insurer cannot expolicy or otherwise affect the validity of the policy or coverage until the next expiration newal date. No Fiscal Impact 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

11. Other comments: House Bill 539 amends § 38.2-3523.4, relating to minimum group size for accident and sickness insurance policies. The language added in the newly created subsection B will prevent insurers from terminating or canceling group policies when the group size drops below the level prescribed in subsection A (at least two persons) until the next scheduled expiration or renewal date of the policy. Insurers will also be prohibited from contesting the validity of the policy in those same circumstances. The Bureau of Insurance has had a few consumer complaints regarding cancellations resulting from the failure of the group to meet the minimum size requirements.

House Bill 539 is currently assigned to House Commerce and Labor Subcommittee #2.

Date: 02/03/10 V. Tompkins

cc: Secretary of Commerce and Trade Secretary of Health and Human Resources