

2012 SESSION

INTRODUCED

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SENATE BILL NO. 654

Offered January 20, 2012

A *BILL to amend and reenact § 38.2-2229 of the Code of Virginia, relating to claims-made liability insurance policies; notice of potential claim.*

Patron—McEachin

Unanimous consent to introduce

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-2229 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-2229. Claims-made liability insurance.

A. Pursuant to the authority granted in § 38.2-223, the Commission may issue regulations regarding claims-made liability insurance policies. These regulations may include, but are not limited to, (i) the pricing of extended reporting period coverage, (ii) provisions for installment payment of premiums for such coverage, and (iii) the providing of such coverage in the event of the death, disability, or retirement of the insured.

B. *An insurer issuing a claims-made liability insurance policy shall not deny coverage for a claim as a result of the insured's failure to notify the insurer that a claim might be made under the policy, unless (i) the insured's failure to notify the insurer of the potential claim prejudices the insurer or (ii) the insured understood that the claim would be made under the policy.*

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SB654