

State Corporation Commission 2012 Fiscal Impact Statement

1. Bill Number: HB209

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

2. Patron: Miller, J.H.

3. Committee: Commerce and Labor

4. Title: Insurance agents; continuing education.

5. Summary: Streamlines the continuing education process for agents. Changes the requirement to complete two hours of laws and regulation education to three hours of ethics which may include insurance law and regulations applicable in Virginia. The deadline for submitting proof of compliance on a biennial basis would change from December 31 to November 30 and any agent who failed to complete their C.E., exemption, or waiver requirements would be given a final opportunity to complete such requirements provided proof of completion is submitted to the C.E. Board or its administrator by December 31. Agents who failed to comply with the December 31 deadline would have 30 days to file a notice of appeal and after that period has lapsed, the Continuing Education Board or its administrator shall provide a list to the Commission, no more than 15 days after the end of the appeal period, of those agents not in compliance. The Commission shall administratively terminate the licenses of those agents who were not in compliance.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: 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 209 was introduced at the request of the Virginia Insurance Continuing Education Board (Board). The proposed legislation modernizes the Continuing Education (CE) process for agents subject to Virginia CE requirements. It allows a producer a period of time during which he has the opportunity to correct any errors and effect compliance with CE requirements; the current CE program does not allow for any grace period. The State Corporation Commission Bureau of Insurance worked with the Board on the language of House Bill 209 and the changes to the CE program to improve the efficiency of its administration. Current language that provides agents the opportunity to submit late proof of compliance and the reinstatement provisions upon the payment of a monetary penalty are removed from the current

Code. Additionally, the provision requiring agents to wait 90 days before reapplying for a license has been removed as well as the requirement that a status report be issued to each agent not in compliance prior to the end of the biennium. House Bill 209 also contains numerous changes of a technical nature.

The amendment in the nature of a substitute to House Bill 209 added a second enactment clause to make the provisions of the bill effective on January 1, 2013.

Date: 02/15/12/V. Tompkins

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