

State Corporation Commission 2013 Fiscal Impact Statement

1. Bill Number: HB1731

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

2. Patron: Hugo

3. Committee: House Floor

4. Title: Storage unit insurance.

5. Summary: Storage unit insurance. Adds storage unit insurance (SUI) authority to the lines of insurance that may be sold by persons holding a limited lines property and casualty agent license. The bill also allows for the sale of SUI by a lessor holding a limited lines property and casualty license and would also allow its unlicensed employees to sell SUI. Lessors would be required to provide training to the unlicensed employees regarding the sale of SUI and the required disclosures, and could provide incidental compensation to unlicensed employees not to exceed \$10 per customer who purchases SUI. The bill would require the charges for any insurance to be itemized on the customer's rental agreement, and the lessor would be required to comply with the fiduciary and payment provisions of § 38.2-1813 of the Code of Virginia.

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: Staff of the State Corporation Commission Bureau of Insurance worked with the patron on technical amendments to the language of House Bill 1731 – Any licensee whose home state does not have SUI as a line of property and casualty insurance in its home state after July 1, 2017, or such later date as may be determined by the Commission, shall obtain a full property and casualty license or its license shall terminate in Virginia; no employee of a lessor may hold himself out as a licensed insurer, agent or insurance expert and the acts of a licensed lessor's employee or authorized representative offering to sell coverage under a policy of self storage insurance shall be deemed to be the acts of the lessor and the insurer for purposes of this article.

Date: 01/25/13/V. Tompkins
cc: Secretary of Commerce and Trade