

State Corporation Commission

2015 Fiscal Impact Statement

1. Bill Number: HB1357

House of Origin ☐ Introduced ☒ Substitute ☒ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Miller

3. Committee: Commerce and Labor

4. Title: Automobile and homeowners insurance policies; notices.

5. Summary: Automobile and homeowners insurance policies; notices. Authorizes insurers to send certain notices, including nonrenewal and cancellation notices, pertaining to a motor vehicle or homeowners insurance policy by a first-class mail tracking method used or approved by the United States Postal Service (USPS). Currently, such notices are effective only if sent by registered or certified mail. The measure will permit insurers to send such notices using the USPS Intelligent Mail barcode. Provisions that currently provide more restrictive bulk mailing options are deleted.

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 and the Commission's Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: The amendment in the nature of a substitute for House Bill 1357 deletes the two "bulk mailing" options in §§ 38.2-231, 38.2-2113, and 38.2-2208 that insurers have been able to use to prove that terminations notices for commercial liability policies, homeowner policies, and private passenger automobile policies, respectively, were mailed to insureds. With this change, the only options for proving that termination notices have been mailed are registered or certified mail, or any other first class mail tracking approved by the U S Post Office. If insurers elect to use any first-class mail tracking system, they will not be required to retain a mailing list with the insureds' names and addresses. The U.S. Post Office is able to track mail through its system because of the bar coding mechanism. The states of Maryland and Delaware have passed similar legislation.

House Bill 1357 is identical to Senate Bill 697.

Date: 02/10/15/V. Tompkins

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