

# State Corporation Commission

## 2016 Fiscal Impact Statement

**1. Bill Number:** SB210

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

**2. Patron:** Alexander

**3. Committee:** Passed Senate

**4. Title:** Automobile clubs.

**5. Summary:** Automobile clubs. Repeals provisions relating to the licensure and operations of automobile clubs. Requirements are deleted regarding the authority of insurance agents to negotiate automobile club contracts on behalf of licensed automobile clubs and the issuance of guaranteed arrest bond certificates by an automobile club or association.

**6. Budget amendment necessary:** No

**7. Fiscal Impact Estimates:** Preliminary. See Item 8.

**8. Fiscal implications:** The State Corporation Commission estimates that elimination of the regulation of automobile clubs by the Commission would mean a loss of approximately \$7,000 in licensing fees paid by automobile clubs based on an average of fees paid over the last two fiscal years. Automobile clubs do not pay the assessment for maintenance of the Bureau of Insurance. The impact on Commission systems would be negligible also, with a few revisions to forms and certain tables in the Bureau of Insurance computer system.

**9. Specific agency or political subdivisions affected:** State Corporation Commission Bureau of Insurance

**10. Technical amendment necessary:** No

**11. Other comments:** In the amendment in the nature of a substitute to Senate Bill 210, language stricken in § 38.2-514.1 in the original version of the bill was reinstated. Section 38.2-514.1 prohibits a practice known as “sliding,” the selling to an insurance applicant a motor club membership or accidental death or dismemberment policy without the applicant’s knowledge. A disclosure signed by the agent and the applicant is required by § 38.2-514.1, and the proposed revisions to the section have now been removed from Senate Bill 210.

**Date:** 02/08/16/V. Tompkins

cc: Secretary of Commerce and Trade