

State Corporation Commission

2017 Fiscal Impact Statement

1. Bill Number: SB1074

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Sturtevant

3. Committee: Passed Both Houses

4. Title: Automobile clubs; insurance.

5. Summary: Automobile clubs; insurance. Provides that a service agreement offered by an automobile club does not constitute insurance. The measure also provides that the types of services related to motor travel or to the operation, use, or maintenance of a motor vehicle that may be supplied by an automobile club are not limited to towing service, emergency road service, indemnification service, guaranteed arrest bond certificate service, discount service, financial service, theft service, map service, or touring service.

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: Senate Bill 1074 amends the definition of “insurance” in § 38.2-100 of the Code of Virginia to clarify that service agreements (defined in § 38.2-514.1 offered by automobile clubs are not “insurance.” Chapter 250 of the 2016 Acts of Assembly repealed provisions relating to the licensure and operations of automobile clubs. Senate Bill 1074 clarifies that service contracts are not insurance and that services offered by automobile clubs are not limited to those listed in § 38.2-514.1 of the Code of Virginia.

Date: 02/23/17/V. Tompkins