

# State Corporation Commission

## 2019 Fiscal Impact Statement

**1. Bill Number:** HB2109

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** O'Quinn

**3. Committee:** Committee on Commerce and Labor

**4. Title:** Guaranteed asset protection waivers.

**5. Summary:** Establishes requirements for offering guaranteed asset protection (GAP) waivers, which are agreements, entered into as a part of or addendum to a motor vehicle financing agreement, under which the creditor agrees for a separate charge to waive or cancel amounts due on the finance agreement if the financed motor vehicle is totally damaged or stolen. The measure requires the creditor to insure its GAP waiver obligations; prohibits a creditor from conditioning an extension or term of credit on the purchase of a GAP waiver; requires a GAP waiver to include disclosures regarding the cancellation of the GAP waiver during a free look period; and establishes requirements and restrictions for the cancellation of GAP waivers, including refund provisions. The measure authorizes the State Corporation Commission to assess monetary penalties against violators. The measure provides that GAP waivers are not insurance and are exempt from Virginia's insurance laws.

**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:** The State Corporation Commission Bureau of Insurance offered to the interested parties working with Delegate O'Quinn a suggested amendment to conform the enforcement provisions of the bill in proposed § 38.2-6406 to the existing provisions of Chapter 2 of Title 38.2 regarding penalties.

**11. Other comments:** None

**Date:** 01/14/19/V. Tompkins