

# State Corporation Commission

## 2021 Fiscal Impact Statement

**1. Bill Number:** SB1202

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

**2. Patron:**        Petersen

**3. Committee:** Commerce and Labor

**4. Title:**         Uninsured and underinsured motorist insurance policies; bad faith.

**5. Summary:** Provides that if an insurance company denies, refuses, or fails to pay its insured, or refuses a reasonable settlement demand within the policy's coverage limits, for a claim for uninsured or underinsured motorist benefits within a reasonable time after being presented with a demand for such benefits and it is subsequently found that such denial, refusal, or failure was not in good faith, then the insurance company is liable to the insured for the full amount of the judgment and reasonable attorney fees, expenses, and interest.

**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 1202 adds a definition for "for "legally entitled to recover", a definition used in the proposed subsection E of § 8.01-66.1 (a civil procedure provision in Title 8.01 of the Code of Virginia). The issue of unreasonably delayed payments for uninsured motorist and underinsured motorist claims has been the subject of bills before the General Assembly in previous years.

**Date:** 01/18/21/V. Tompkins