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HOUSE BILL NO. 757**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the House Committee on Corporations, Insurance and Banking
on February 9, 1996)

(Patron Prior to Substitute—Delegate Woodrum)

A BILL to amend and reenact § 38.2-1839 of the Code of Virginia and to amend the Code of Virginia by adding sections numbered 11-44.1 and 38.2-1812.1, relating to insurance agents and consultants; placement of insurance for public bodies.

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-1839 of the Code of Virginia is amended and reenacted and that the Code of Virginia is amended by adding sections numbered 11-44.1 and 38.2-1812.1 as follows:

§ 11-44.1. Exclusion of insurance bids prohibited.

Notwithstanding any other provision of law, no insurance company authorized to conduct business in Virginia may be excluded from presenting an insurance bid proposal to a public body in response to a request for proposal or an invitation to bid.

§ 38.2-1812.1. Placement of insurance for public bodies.

No insurance agent may provide or offer to provide, directly or indirectly, insurance products to a public body while concurrently and on its behalf (i) evaluating proposals from other insurance agents and (ii) recommending the placement of insurance.

§ 38.2-1839. Contract required; placement of insurance for public bodies.

A. Any insurance consultant shall enter into a written contract with his client prior to any act as a consultant in this Commonwealth. The contract shall include, without limitation, the amount and basis of any consulting fee and the duration of employment. If the insurance consultant may also receive commissions for soliciting, negotiating, procuring, or effecting insurance as a part of his services in addition to a consulting fee, unless otherwise prohibited, such information shall be disclosed in the contract.

B. No insurance consultant may provide or offer to provide, directly or indirectly, insurance products to a public body while concurrently and on its behalf (i) evaluating proposals from other insurance agents and (ii) recommending the placement of insurance.