VIRGINIA ACTS OF ASSEMBLY -- 1999 SESSION

CHAPTER 129

An Act to amend and reenact § 38.2-517 of the Code of Virginia, relating to insurance; unfair settlement practices; replacement and repair; third parties.

[H 2307]

Approved March 16, 1999

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-517 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-517. Unfair settlement practices; replacement and repair; penalty.

A. No person shall:

1. Require an insured or claimant to utilize designated replacement or repair facilities or services, or the products of designated manufacturers, as a prerequisite to settling or paying any claim arising under a policy or policies of insurance; or

2. Engage in any act of coercion or intimidation causing or intended to cause an insured or claimant to utilize designated replacement or repair facilities or services, or the products of designated manufacturers, in connection with settling or paying any claim arising under a policy or policies of insurance.

B. Any person violating this section shall be subject to the injunctive, penalty, and enforcement provisions of Chapter 2 (§ 38.2-200 et seq.) of this title. *The Commission shall investigate, with the written authorization of the insured or the claimant, any written complaints received pursuant to this section, regardless of whether such written complaints are submitted by an individual or a repair facility. For the purpose of this subsection, any insurance company utilizing a third party shall be held accountable for any violation of this section by such third party.*