

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB1919

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

2. Patron: Abbott, Robin A.

3. Committee: Commerce and Labor

4. Title: Assessment for the Virginia Defective Drywall Correction and Restoration Assistance Fund.

5. Summary: Directs the State Corporation Commission to collect from each licensed insurer writing fire, homeowners, and the property portion of commercial multi-peril insurance an assessment in an amount equal to six-tenths of one percent of the direct gross premium income for such insurance during the preceding calendar year. The moneys collected from the assessment are to be used to provide revenue for the Virginia Defective Drywall Correction and Restoration Assistance Fund. The provision expires July 1, 2016.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Preliminary

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2012	\$12.9 million	special
2013	\$12.9 million	special
2014	\$12.9 million	special
2015	\$12.9 million	special
2016	\$12.9 million	special

8. Fiscal Implications: The State Corporation Commission (SCC) estimates that the assessment rate of six-tenths of one percent of direct income for the lines of insurance referenced in this legislation would collect approximately \$12.9 million annually. Any impact on Virginia policyholders in response to the addition of new assessment against these lines of insurance would vary depending upon whether the policyholder's insurance company elects to pass on the cost of the assessment in its policy rates.

The SCC estimates that this additional assessment could be collected utilizing existing staff and estimates 160 hours of work needed to add the assessment to their current system.

The SCC cannot predict the annual claim amounts.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission

10. Technical Amendment Necessary: No

11. Other Comments: n/a

Date: 1/17/11 ckb

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