

State Corporation Commission 2011 Fiscal Impact Statement

1. Bill Number: SB1377

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

2. Patron: McEachin

3. Committee: Commerce and Labor

4. Title: Claims-made liability insurance policies.

5. Summary: Claims-made liability insurance policies. Prohibits an insurer from denying coverage for a claim based on the insured's failure to notify the insurer that a claim might be made under a claims-made policy. An exception will be made if the insured's failure to notify the insurer prejudices the insurer, and if the insured understood that the claim would be made.

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: All policies have provisions requiring prompt notice of claims. These notice provisions help insurance companies adequately investigate claims. Senate Bill 1377 would appear to remove the prompt notice requirements under certain circumstances.

House Bill 2274 is identical to Senate Bill 1377.

Date: 1/23/11 V. Tompkins
cc: Secretary of Commerce and Trade