

## Department of Planning and Budget 2013 Fiscal Impact Statement

**1. Bill Number:** HB1554

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Loupassi

**3. Committee:** General Laws

**4. Title:** Division of Risk Management; risk management plans; insurance coverage for sheriffs.

**5. Summary:** Requires the risk management plans established by the Division of Risk Management to provide coverage sufficient to pay as compensation for a single claim an amount not to exceed \$2 million. The bill also requires each locality to secure for the sheriff and his deputies liability coverage that is beyond the coverage provided under the risk management plan for any civil judgment obtained based on injuries or damages sustained arising out of the conduct and scope of the sheriff's operations.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates are preliminary.** See item 8, below.

**8. Fiscal Implications:** The proposed legislation would impact coverage under two plans administered by the Department of the Treasury's Division of Risk Management – the Constitutional Office and Regional Jail Plan and the Local Government Plan (VaRISK and VaRISK 2). According to the Division of Risk management, under the provisions of the bill, the plans may be required to pay a larger sum per claim. This may result in an increase in premiums paid by plan participants. Premiums are paid by participating local governments and non-profit entities.

Also, the bill requires localities with sheriffs to secure liability coverage “beyond the coverage” or in excess of that provided by the Constitutional Officer and Regional Jail Plan provided for in §2.2-1839, Code of Virginia. The bill does not state an amount of additional coverage they would be required to obtain. Any costs associated with acquiring excess coverage would be borne by the locality.

It is anticipated that the proposed bill would not have a fiscal impact to the state (§2.2-1837, Code of Virginia, provides for coverage for state agencies). The local impact would vary by locality, but the aggregate impact is indeterminate.

**9. Specific Agency or Political Subdivisions Affected:** localities, local and regional jails, Risk Management.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.

**Date:** 1/19/13

**Document:** G:/tmw/2013 Session/Legislation/HB1554.docx