

State Corporation Commission 2013 Fiscal Impact Statement

1. Bill Number: HB1607

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

2. Patron: Hugo

3. Committee: Passed Both Houses

4. Title: Property and casualty insurance policies; electronic notices.

5. Summary: Property and casualty insurance policies; electronic notices. Permit insurers to send cancellation notices electronically, if the insured and insurer mutually agree to this manner of communication. Notification to the insurer of changes to the insured's email address is the responsibility of the insured. It further states that no change provided to the agent of record by any person shall be deemed to be notice to the insurer unless such change is specifically identified and receipt has been acknowledged by the agent of record.

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: In 2009, the General Assembly enacted Chapter 215 (House Bill 2340), which permitted insurers to send nonrenewal notices on certain insurance policies electronically, if the insured and insurer mutually had agreed to communicate electronically. House Bill 1607 deals with cancellation notices in a similar manner. House Bill 1607 does not require insurers to send notices electronically; for insureds that prefer to conduct business electronically, enactment of House Bill 1607 will allow for this method of communication.

An enactment clause provides that subsection E of § [38.2-325](#) of the Code of Virginia expires on December 31, 2016.

Date: 2/20/13/V. Tompkins
cc: Secretary of Commerce and Trade