

State Corporation Commission 2014 Fiscal Impact Statement

1. Bill Number: HB441

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

2. Patron: Fariss

3. Committee: Commerce and Labor

4. Title: Motor vehicle insurance; salvage vehicles.

5. Summary: Motor vehicle insurance; salvage vehicles. Requires insurers writing physical damage coverage on a salvage vehicle (as defined in § 46.2-1600) to provide a statement that the vehicle is a salvage vehicle and that if the vehicle is declared a total loss, the insured will be paid less than if the salvage designation were not on the title. Section 38.2-2216.1 provides that insurers issuing physical damage coverage on motor vehicles subject to § 38.2-2212 (private passenger automobiles) shall provide an appropriate premium reduction that reflects the reduction in the actual cash value for those vehicles for which a salvage title has been issued by the Division of Motor Vehicles.

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: Insurers will be required to provide a notice to certain insureds and file rates to comply with the required premium reduction. Under this bill, the insurer is required to provide a notice if the insurer knows the vehicle is a salvage vehicle, although the language is not clear as to how the insurer would know about the salvage title. Insureds who own salvage vehicles would pay less premium for their physical damage coverage.

House Bill 441 is assigned to Commerce and Labor Subcommittee #1.

Date: 1/21/14 VT
cc: Secretary of Commerce and Trade