

# State Corporation Commission

## 2014 Fiscal Impact Statement

**1. Bill Number:** HB52

**House of Origin**    ☒ Introduced    ☐ Substitute    ☐ Engrossed

**Second House**    ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:**    Webert

**3. Committee:** Commerce and Labor

**4. Title:**    Workers' compensation insurance; use of experience rating, loss limitation not-at-fault accidents.

**5. Summary:** Workers'; compensation insurance; use of experience rating; loss limitation for not-at-fault motor vehicle accidents. Directs the State Corporation Commission (SCC) to adopt regulations that establish standards for determining a loss limitation to be included in the calculation of workers' compensation insurance experience modifications when a motor vehicle accident is a not-at-fault motor vehicle accident. Requires the SCC to establish how any loss remaining after such deduction of the loss limitation should be distributed among workers' compensation classifications. The SCC is also required to ensure that the amount, if any, by which an employer's experience rating would otherwise be modified as the result of a motor vehicle accident in which an employee is injured or killed shall be reduced if the accident was a not-at-fault motor vehicle accident.

**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:** The State Corporation Commission Bureau of Insurance has recommended that the SCC simply require the National Council on Compensation Insurance (NCCI) to file an amendment to the uniform experience rating plan to remove not-at-fault motor vehicle accidents from consideration in the experience rating plan. A uniform experience rating plan must be used by all insurers writing workers' compensation insurance in Virginia as required by § 38.2-1913 D of the Code. The loss experience from not-at-fault motor vehicle accidents would be distributed across all classifications automatically. As a result, the language addressing this requirement in the bill would not be necessary.

**11. Other comments:** Delegate Webert introduced similar legislation in the 2013 General Assembly session (HB 1572), and the bill was left in committee. House Bill 52 is assigned to the Commerce & Labor Special Workers' Compensation Subcommittee.

**Date:** 01/20/14/V. Tompkins  
**cc:** Secretary of Commerce and Trade