

State Corporation Commission 2015 Fiscal Impact Statement

1. Bill Number: HB2357

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

2. Patron: McQuinn

3. Committee: Passed Both Houses

4. Title: Insurance rates; limitation for renewal policies.

5. Summary: Insurance rates; policies transferred pursuant to agent book transfer. Clarifies that an insurer may cap the renewal rates for policies that have been transferred by an agent from one insurer to another insurer pursuant to an agent book transfer, to the same extent that such rates may be capped for policyholders whose coverage is continued by that insurer.

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 and the Commission's Bureau of Insurance

10. Technical amendment necessary: No

11. Other comments: House Bill 2357 would permit insurers to cap premiums for agency book transfers, a practice which is not currently permitted in Subsection F of § 38.2-1906 of the Code of Virginia. When an insurance agent's agreement with one insurer ends, the amendment contained in House Bill 2357 would permit the new insurer to which the agent is moving his customers/policyholders to cap renewal premiums for those policyholders. The cap would benefit consumers.

Date: 02/25/15/V. Tompkins

cc: Secretary of Commerce and Trade
Secretary of Health and Human Resources