

State Corporation Commission

2017 Fiscal Impact Statement

1. **Bill Number:** SB1213

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

2. **Patron:** DeSteph

3. **Committee:** Commerce and Labor

4. **Title:** Insurance notices.

5. **Summary:** Insurance notices. Requires that the policy owner, contract owner, or plan owner under an individual policy, contract, or plan of life insurance, an annuity, or accident and sickness insurance be sent written notice by registered or certified mail prior to the date that the policy, contract, or plan will lapse for failure to pay premiums due.

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:** Consideration should be given to an amendment to Subsection A to clarify that § 38.2-232 does not apply to group policies, contracts or plans of insurance by adding on Line 14 after “that issues” the phrase “to an individual...” Subsection B would then be amended also:

A. Every insurer, health services plan, or health care plan that issues to an individual a policy, contract, or plan of insurance...

B. The provisions of subsection A shall not apply ~~(i) to group policies, contracts, or plans of insurance or (ii)...~~

11. **Other comments:** The State Corporation Commission Bureau of Insurance recently amended its Rules Governing Long-term Care Insurance so that notice could be sent by certified mail or other methods where the insurance carrier can get a receipt indicating the date of mailing and the number of items mailed. Senate Bill 1213, if enacted, would require certified or registered mail only, and the Commission would amend its regulation accordingly.

Date: 01/20/17/V. Tompkins