

# State Corporation Commission

## 2019 Fiscal Impact Statement

**1. Bill Number:** HB2109

**House of Origin**     Introduced     Substitute     Engrossed

**Second House**     In Committee     Substitute     Enrolled

**2. Patron:** O'Quinn

**3. Committee:** Commerce and Labor

**4. Title:** Guaranteed asset protection waivers.

**5. Summary:** Establishes requirements for offering guaranteed asset protection (GAP) waivers, which are agreements, entered into as a part of or addendum to a motor vehicle financing agreement, under which the creditor agrees for a separate charge to waive or cancel amounts due on the finance agreement if the financed motor vehicle is totally damaged or stolen. The measure requires the creditor to insure its GAP waiver obligations; prohibits a creditor from conditioning an extension or term of credit on the purchase of a GAP waiver; requires a GAP waiver to include disclosures regarding the cancellation of the GAP waiver during a free look period; and establishes requirements and restrictions for the cancellation of GAP waivers, including refund provisions. The measure provides that GAP waivers are not insurance and are exempt from Virginia's insurance laws.

**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 amendment suggested by the State Corporation Commission Bureau of Insurance is contained in the amendment in the nature of a substitute to House Bill 2109. The amendment in the nature of a substitute to Senate Bill 1325 is identical to the House Bill 2109 substitute.

**11. Other comments:** None

**Date:** 02/08/19/V. Tompkins