

State Corporation Commission 2019 Fiscal Impact Statement

1. Bill Number: SB1293

House of Origin Introduced Substitute Engrossed

Second House In Committee Substitute Enrolled

2. Patron: Chafin

3. Committee: Commerce and Labor

4. Title: Uninsured motorist insurance coverage; settlement and release.

5. Summary: Provides that any release executed as a result of a liability insurer settling a personal injury claim with an underinsured claimant for the available limits of the liability insurer's coverage shall not operate to release any parties other than the liability insurer and the underinsured motorist. The bill clarifies that neither a duty to defend nor an attorney-client relationship is created between the underinsured motorist and counsel for the underinsured motorist benefits insurer without the express intent and agreement of the underinsured motorist. The measure modifies the language in the written notice that is required to be provided to the underinsured motorist upon settlement to further clarify that no attorney-client relationship or duty to defend is created between the underinsured motorist and the underinsured motorist benefits insurer as a result of the settlement and release. The bill clarifies that by sending the notice and release to the underinsured motorist's last known address by certified mail, the liability insurer satisfies the requirement of having the underinsured motorist sign the release and initial the notice.

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: Interested parties worked collaboratively on the provisions of Senate Bill 1293 to ensure that the provisions of subsections K and L of § 38.2-2206 of the Code of Virginia work properly after a recent court decision.

Date: 01/20/19/V. Tompkins