

21102975D

HOUSE BILL NO. 1877

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Labor and Commerce
on January 26, 2021)

(Patron Prior to Substitute—Delegate Jenkins)

A *BILL to amend and reenact § 59.1-441.2 of the Code of Virginia, relating to legal service plans; seller registration.*

Be it enacted by the General Assembly of Virginia:

1. That § 59.1-441.2 of the Code of Virginia is amended and reenacted as follows:

§ 59.1-441.2. Registration; fees.

A. It ~~shall be~~ is unlawful for any legal services plan seller to offer, advertise, or execute, or cause to be executed by the subscriber, any subscription contract in the Commonwealth unless the legal services plan seller at the time of the offer, advertisement, sale, or execution of a subscription contract has been properly registered with the Commissioner *or the legal services plan seller has submitted the registration information and fee required by this section to the legal services organization for which the seller will offer subscription contracts.* The registration shall (i) disclose the address, ownership, and affiliation with the legal services organization and such other information as the Commissioner may require consistent with the purposes of this chapter, (ii) be renewed annually on July 1, and (iii) be accompanied by the appropriate registration fee of \$50 per each annual registration. Further, the registration shall be accompanied by a late fee of \$25 if the registration renewal is neither postmarked nor received on or before July 1. A legal services plan seller's initial or renewal registration may be accomplished either by the legal services plan seller or on behalf of such seller by the legal services organization for which the seller offers subscription contracts, and the Commissioner shall accept any registration information or fee required to be submitted pursuant to this chapter that is submitted to the Commissioner ~~on a monthly basis by the organization on behalf of such a legal services plan seller.~~ *A legal services organization shall submit the registration information and fees received pursuant to this section to the Commissioner, in a form and manner prescribed by the Commissioner, no later than 30 days after the information and fees are received by the organization.*

B. Any legal services plan seller ~~or legal services organization that sells a subscription contract prior to registering pursuant to this section~~ *violates the provisions of subsection A* shall pay a late filing fee of \$100 for each 30-day period the registration is late. This fee shall be in addition to all other penalties allowed by law.

C. A registration shall be amended within 21 days if there is a change in the information included in the registration. *If the legal service plan seller has submitted such changes to the legal services organization for which the seller will offer subscription contracts, the legal services organization shall submit the amend registration, in the form and manner prescribed by the Commissioner, no later than 30 days after such information is received by the organization.*

D. Any matter subject to the insurance regulatory authority of the State Corporation Commission pursuant to Title 38.2 shall not be subject to the provisions of this chapter.

E. All fees shall be remitted to the State Treasurer and shall be placed to the credit and special fund of the Virginia Department of Agriculture and Consumer Services to be used in the administration of this chapter.

F. All insurance agent licenses issued by the State Corporation Commission including authority to sell legal services plan subscription contracts shall continue in effect for a period of 90 days following the effective date of this chapter, during which time those holding such authority from the State Corporation Commission shall apply for registration with the Department. At the end of the 90-day period, no insurance agent license shall include the authority to sell legal services plan subscription contracts.