

State Corporation Commission
2025 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB1778 **Patron:** Sullivan
Bill Title: Insurance agents; appointments and terminations.

Bill Summary: Amends the process for the appointment of insurance agents and agencies by insurers as administered by the Bureau of Insurance of the State Corporation Commission. The bill also revises certain requirements of an insurer or authorized representative that terminates an appointment of an agent that is found to have engaged in conduct prohibited by existing law.

Budget Amendment Necessary: No. **Items Impacted:** Not applicable.
Explanation: Not applicable.

Fiscal Summary: None

General Fund Expenditure Impact: None.

Nongeneral Fund Expenditure Impact: None.

Position Impact: None.

Fiscal Analysis: The proposed legislation would eliminate the mandatory assessment of a \$50 late fee per day against insurers that failed to timely pay their agent appointment fees. The proposed legislation does not alter the State Corporation Commission’s existing penalty provisions in § 38.2-218 of the Code of Virginia, which it can exercise if an insurer does not timely pay its agent appointment renewal fees.

Other: The Delegate introduced this bill at the request of the Bureau of Insurance of the State Corporation Commission.