



## Fiscal Impact Statement for Proposed Legislation

*Virginia State Corporation Commission*

**Published:** February 8, 2024

### Senate Bill 594

**Version:** Introduced

**Patron:** B. DeSteph

**Title:** Motor vehicle insurance; unauthorized addition of insured drivers prohibited.

**Summary:** Prohibits an insurance carrier authorized to issue motor vehicle liability insurance policies from automatically adding any person to the list of persons insured under a motor vehicle owner's policy or to the household of a named insured for purposes of such policy based solely on certain information enumerated in the bill. The bill prohibits such a carrier from increasing premiums for, canceling, or refusing to renew a policy based solely on the failure of the named insured to respond to a communication demanding confirmation of an additional insured driver or household member. The bill authorizes the State Corporation Commission to investigate and enjoin via order any violation of its provisions and subjects a person who violates such order to certain penalties enumerated in the bill.

**Effective Date(s):** 7/1/2026

**Amendment Necessary:**  Budget, Item No amendments. are needed  
 Technical, see *Technical Note* below  
 None

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#### *Fiscal Summary*

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The bill has no impact on revenue.

The bill has no impact on expenditures.

The bill has no impact on FTEs.

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#### *Fiscal Analysis*

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#### **Revenue**

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There are no assumptions for revenue for this bill.

This bill does not impact revenue at the State Corporation Commission. The requirements of this bill can be satisfied within the Bureau's current revenue authority.

## **Expenditures**

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There are no assumptions for expenditures for this bill.

This bill does not impact expenditures at the State Corporation Commission.

## **Change in FTE**

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No additional FTEs are needed.

## **Other Comments**

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There are no additional comments.

## **Technical Note**

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This bill has been placed in Title 46.2 but requires the SCC to enforce the provisions. Suggest that the language be placed in Title 38.2 instead. Additionally, the enforcement mechanism outlined in the bill is not consistent with that used by the SCC. Suggest that, instead of a blanket prohibition preventing insurers from adding drivers thought to be in the household to the policy, Section 38.2-2212 be amended to permit insurers to cancel or nonrenew the policy if the insurer does not get a response from the policyholder to an inquiry about additional drivers in the household. Insureds may ask the Bureau of Insurance to review these terminations to ensure that the actions of the insurer were proper.