

State Corporation Commission 2024 Session Fiscal Impact Statement

1. Bill Number: SB256

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Surovell

3. Committee: Commerce and Labor

4. Title: Motor vehicle insurance claims; bad faith.

5. Summary: Provides that if an insurance company denies, refuses, or fails to pay its insured, or refuses a reasonable settlement demand within the policy's coverage limits, for a claim for uninsured or underinsured motorist benefits within a reasonable time after being presented with a demand for such benefits and it is subsequently found that such denial, refusal, or failure was not in good faith, then the insurance company is liable to the insured in an amount double the amount of the judgment, together with reasonable attorney fees, expenses, and interest.

The bill also provides that when an insurance company denies, refuses, or fails to pay to its insured a claim under the provisions of a policy of motor vehicle insurance issued by such company to the insured and it is subsequently found that such denial, refusal, or failure was not made in good faith, then the insurance company is liable to the insured in an amount double the amount of the judgment, together with reasonable attorney fees and expenses, and plus interest for claims of more than \$3,500 in excess of the deductible.

The bill also provides that when an uninsured person denies, refuses, or fails to pay a claimant a claim of \$3,500 or less and it is subsequently found that such denial, refusal, or failure was not made in good faith, then such person is liable to the insured in an amount double the amount of the judgment, together with reasonable attorney fees and expenses.

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: Senate Bill 256 would not require changes to the uninsured/underinsured motorists endorsements if enacted. It can be administered by the Bureau of Insurance as written.

Date: 01/19/24/V. Tompkins