

State Corporation Commission 2022 Fiscal Impact Statement

1. Bill Number: SB15

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

2. Patron: Favola

3. Committee: Commerce and Labor

4. Title: Insurance; paid family leave.

5. Summary: Establishes paid family leave as a class of insurance. The bill defines "family leave insurance" as an insurance policy issued to an employer related to a benefit program provided to an employee to pay for a percentage or portion of the employee's income loss due to (i) the birth of a child or adoption of a child by the employee; (ii) placement of a child with the employee for foster care; (iii) care of a family member of the employee who has a serious health condition; or (iv) circumstances arising out of the fact that the employee's family member who is a service member is on active duty or has been notified of an impending call or order to active duty. Family leave insurance may be written as an amendment or a rider to a group disability income policy, included in a group disability income policy, or written as a separate group insurance policy purchased by an employer.

The bill prohibits delivery or issue for delivery of a family leave insurance policy unless a copy of the form and the rate manual showing rates, rules, and classification of risks have been filed with the State Corporation Commission. The bill prohibits an individual certificate and enrollment form from being used in connection with a group family leave insurance policy unless the form for the certificate and enrollment form have been filed with the Commission. The bill provides that "life and annuities insurance agent" means an agent licensed in the Commonwealth to sell, solicit, or negotiate, among other types of insurance, family leave insurance, as defined in § 38.2-107.2, on behalf of insurers licensed in the Commonwealth.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission

8. Fiscal Implications: None for 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: The patron introduced 2021 Senate Bill 1219, which created a stakeholder group to draft legislation to permit private insurers to offer paid family leave coverage in Virginia. Currently, the Code of Virginia does not permit this coverage to be filed. Senate Bill 15 is the legislation recommended by the stakeholder group. House Bill 1156 is the companion to Senate Bill 15, and HB 1156 E is identical to SB 15 S 1.

Date: 2/10/22/V. Tompkins