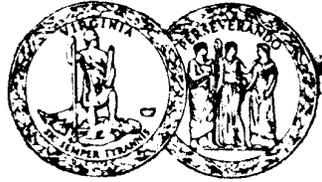


COMMONWEALTH OF VIRGINIA



STEVEN T. FOSTER
COMMISSIONER OF INSURANCE

Box 1157
RICHMOND, VA 23209
TELEPHONE: (804) 786-3741
TDD/VOICE: (804) 225-3806

STATE CORPORATION COMMISSION BUREAU OF INSURANCE

April 21, 1992

IMMEDIATE ATTENTION REQUIRED

**Administrative Letter
1992-9**

TO: All Insurers Licensed to Market Credit Accident and Sickness Insurance in Virginia

RE: Credit Accident and Sickness Insurance Rates

The 1992 General Assembly passed House Bill 722, which has been signed by Governor Wilder and will be effective January 1, 1993. This bill amends Title 38.2 of the Code of Virginia by adding Chapter 37.1 relating to credit life and accident and sickness insurance. Section 38.2-3727.A. of Chapter 37.1 provides for the State Corporation Commission to promulgate seven (7), fourteen (14), and thirty (30) day retroactive and non-retroactive credit accident and sickness premium rates which are to be published no later than September 1, 1992, and are to take effect on January 1, 1993.

In order for the Commission to be able to perform the morbidity study required to publish these premium rates, it is necessary that your company complete the survey attached to this letter and return it to the address shown on the survey. Furnishing the information requested in this survey is required as provided by Section 38.2-1301 of the Code of Virginia and should be submitted no later than June 5, 1992. If no credit accident and sickness coverage has been written by your company in Virginia during 1989, 1990 or 1991, only Page 1 of the survey need be completed and submitted.

Kindly submit responses directly to the attention of Bureau staff as directed on Page 13 of the survey.

Your cooperation in completing and returning this survey by the date shown above is appreciated.

Sincerely yours,

Steven T. Foster
Commissioner of Insurance

STF/ds
Attachment

Bureau of Insurance
State Corporation Commission of Virginia
Credit Accident and Sickness Insurance Survey

The following information is requested regarding direct credit accident and sickness insurance written in Virginia. The data which is being requested is supplemental to the information which your company submits in the CREDIT LIFE AND CREDIT ACCIDENT AND SICKNESS EXPERIENCE EXHIBIT. The data which you provide in this survey should be consistent with the data provided in these exhibits.

Company Name: _____

NAIC Company Code: _____

Name and Title of Officer
of the Company Certifying
that the Information in
this Survey is Correct

Name and Title of Person
Completing this Form:

Telephone No. of Person
Completing this Form:

If your company did not have any credit accident and sickness business in force in Virginia in 1989, 1990 or 1991, please indicate this by writing "None" on the appropriate line below.

1989 _____
1990 _____
1991 _____

If business was not in force in any of these years, the remainder of this survey need not be completed. If business was in force in any of these years, information must be provided for those years.

Virginia Only Business

1. Please provide the company's credit accident and sickness insurance experience in Virginia for the years 1989, 1990 and 1991. This information should be identical to the information filed in Part 2 of the company's CREDIT LIFE AND ACCIDENT AND HEALTH EXPERIENCE EXHIBIT for direct business in the State of Virginia for the referenced years.

PART 2 - CREDIT ACCIDENT AND HEALTH INSURANCE

Year 1989

	7 Day Retro	14 Day Retro	14 Day Non-Retro	30 Day Retro	30 Day Non-Retro	Other	Total
1. Earned Premiums:							
A. Gross written premiums							
B. Refunds on terminations							
C. Net written premiums (A - B)							
D. Premium reserves, start of period							
E. Premium reserves, end of period							
F. Actual earned premium (C+D-E)							
2. Incurred Claims:							
A. Claims paid							
B. Unreported claim reserve, start of period							
C. Unreported claim reserve, end of period							
D. Claim reserves, start of period							
E. Claim reserves, end of period							
F. Incurred claims (A+B+C-D+E)							
3. Loss Ratio:							
A. Actual loss ratio (2F/1F)							

7 day non retro coverage must be reported in the "Other" column

PART 2 - CREDIT ACCIDENT AND HEALTH INSURANCE

Year 1990

	7 Day Retro	14 Day Retro	14 Day Non-Retro	30 Day Retro	30 Day Non-Retro	Other	Total
1. Earned Premiums:							
A. Gross written premiums							
B. Refunds on terminations							
C. Net written premiums (A - B)							
D. Premium reserves, start of period							
E. Premium reserves, end of period							
F. Actual earned premium (C+D-E)							
2. Incurred Claims:							
A. Claims paid							
B. Unreported claim reserve, start of period							
C. Unreported claim reserve, end of period							
D. Claim reserves, start of period							
E. Claim reserves, end of period							
F. Incurred claims (A-B+C-D+E)							
3. Loss Ratio:							
A. Actual loss ratio (2F/1F)							

7 day non retro coverage must be reported in the "Other" column

PART 2 - CREDIT ACCIDENT AND HEALTH INSURANCE

Year 1991

	7 Day Retro	14 Day Retro	14 Day Non-Retro	30 Day Retro	30 Day Non-Retro	Other	Total
1. Earned Premiums:							
A. Gross written premiums							
B. Refunds on terminations							
C. Net written premiums (A - B)							
D. Premium reserves, start of period							
E. Premium reserves, end of period							
F. Actual earned premium (C+D-E)							
2. Incurred Claims:							
A. Claims paid							
B. Unreported claim reserve, start of period							
C. Unreported claim reserve, end of period							
D. Claim reserves, start of period							
E. Claim reserves, end of period							
F. Incurred claims (A-B+C-D+E)							
3. Loss Ratio:							
A. Actual loss ratio (2F/1F)							

7 day non retro coverage must be reported in the "Other" column

2. Please provide the premium rate schedules for all credit accident and sickness coverages in force for the years 1989, 1990 and 1991. If the company has changed its premium rates during this period for any of the types of coverage offered, or if the insurance in force was written under different premium rate schedules, then additional rate schedules must be provided. If more than one rate was charged for any of these coverages, please copy the appropriate page and provide the requested information. A separate page must be completed for each rate charged.

Type of Coverage: 7 Day Retro

Dates Used: _____

Earned Premium This Rate Generated in: 1989 _____
(See #3 for explanation). 1990 _____
1991 _____

<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>
1		31		61		91	
2		32		62		92	
3		33		63		93	
4		34		64		94	
5		35		65		95	
6		36		66		96	
7		37		67		97	
8		38		68		98	
9		39		69		99	
10		40		70		100	
11		41		71		101	
12		42		72		102	
13		43		73		103	
14		44		74		104	
15		45		75		105	
16		46		76		106	
17		47		77		107	
18		48		78		108	
19		49		79		109	
20		50		80		110	
21		51		81		111	
22		52		82		112	
23		53		83		113	
24		54		84		114	
25		55		85		115	
26		56		86		116	
27		57		87		117	
28		58		88		118	
29		59		89		119	
30		60		90		120	

Type of Coverage: 7 Day Non-Retro

Dates Used: _____

Earned Premium This Rate Generated in: 1989 _____
(See #3 for explanation). 1990 _____
1991 _____

<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>
1		31		61		91	
2		32		62		92	
3		33		63		93	
4		34		64		94	
5		35		65		95	
6		36		66		96	
7		37		67		97	
8		38		68		98	
9		39		69		99	
10		40		70		100	
11		41		71		101	
12		42		72		102	
13		43		73		103	
14		44		74		104	
15		45		75		105	
16		46		76		106	
17		47		77		107	
18		48		78		108	
19		49		79		109	
20		50		80		110	
21		51		81		111	
22		52		82		112	
23		53		83		113	
24		54		84		114	
25		55		85		115	
26		56		86		116	
27		57		87		117	
28		58		88		118	
29		59		89		119	
30		60		90		120	

Type of Coverage: 14 Day Retro

Dates Used: _____

Earned Premium This Rate Generated in: 1989 _____
(See #3 for explanation). 1990 _____
1991 _____

<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>
1		31		61		91	
2		32		62		92	
3		33		63		93	
4		34		64		94	
5		35		65		95	
6		36		66		96	
7		37		67		97	
8		38		68		98	
9		39		69		99	
10		40		70		100	
11		41		71		101	
12		42		72		102	
13		43		73		103	
14		44		74		104	
15		45		75		105	
16		46		76		106	
17		47		77		107	
18		48		78		108	
19		49		79		109	
20		50		80		110	
21		51		81		111	
22		52		82		112	
23		53		83		113	
24		54		84		114	
25		55		85		115	
26		56		86		116	
27		57		87		117	
28		58		88		118	
29		59		89		119	
30		60		90		120	

Type of Coverage: 14 Day Non-Retro

Dates Used: _____

Earned Premium This Rate Generated in: 1989 _____
(See #3 for explanation). 1990 _____
1991 _____

<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>
1		31		61		91	
2		32		62		92	
3		33		63		93	
4		34		64		94	
5		35		65		95	
6		36		66		96	
7		37		67		97	
8		38		68		98	
9		39		69		99	
10		40		70		100	
11		41		71		101	
12		42		72		102	
13		43		73		103	
14		44		74		104	
15		45		75		105	
16		46		76		106	
17		47		77		107	
18		48		78		108	
19		49		79		109	
20		50		80		110	
21		51		81		111	
22		52		82		112	
23		53		83		113	
24		54		84		114	
25		55		85		115	
26		56		86		116	
27		57		87		117	
28		58		88		118	
29		59		89		119	
30		60		90		120	

Type of Coverage: 30 Day Retro

Dates Used: _____

Earned Premium This Rate Generated in: 1989 _____
(See #3 for explanation). 1990 _____
1991 _____

<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>
1		31		61		91	
2		32		62		92	
3		33		63		93	
4		34		64		94	
5		35		65		95	
6		36		66		96	
7		37		67		97	
8		38		68		98	
9		39		69		99	
10		40		70		100	
11		41		71		101	
12		42		72		102	
13		43		73		103	
14		44		74		104	
15		45		75		105	
16		46		76		106	
17		47		77		107	
18		48		78		108	
19		49		79		109	
20		50		80		110	
21		51		81		111	
22		52		82		112	
23		53		83		113	
24		54		84		114	
25		55		85		115	
26		56		86		116	
27		57		87		117	
28		58		88		118	
29		59		89		119	
30		60		90		120	

Type of Coverage: 30 Day Non-Retro

Dates Used: _____

Earned Premium This Rate Generated in: 1989 _____
(See #3 for explanation). 1990 _____
1991 _____

<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>
1		31		61		91	
2		32		62		92	
3		33		63		93	
4		34		64		94	
5		35		65		95	
6		36		66		96	
7		37		67		97	
8		38		68		98	
9		39		69		99	
10		40		70		100	
11		41		71		101	
12		42		72		102	
13		43		73		103	
14		44		74		104	
15		45		75		105	
16		46		76		106	
17		47		77		107	
18		48		78		108	
19		49		79		109	
20		50		80		110	
21		51		81		111	
22		52		82		112	
23		53		83		113	
24		54		84		114	
25		55		85		115	
26		56		86		116	
27		57		87		117	
28		58		88		118	
29		59		89		119	
30		60		90		120	

Type of Coverage: Other *

Dates Used: _____

Earned Premium This Rate Generated in: 1989 _____
(See #3 for explanation). 1990 _____
1991 _____

<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>	<u>Term</u>	<u>Rate/100</u>
1		31		61		91	
2		32		62		92	
3		33		63		93	
4		34		64		94	
5		35		65		95	
6		36		66		96	
7		37		67		97	
8		38		68		98	
9		39		69		99	
10		40		70		100	
11		41		71		101	
12		42		72		102	
13		43		73		103	
14		44		74		104	
15		45		75		105	
16		46		76		106	
17		47		77		107	
18		48		78		108	
19		49		79		109	
20		50		80		110	
21		51		81		111	
22		52		82		112	
23		53		83		113	
24		54		84		114	
25		55		85		115	
26		56		86		116	
27		57		87		117	
28		58		88		118	
29		59		89		119	
30		60		90		120	

* - Please provide a detailed description of the coverage provided if it is in the "Other" category. A separate page must be completed for each kind of coverage.

3. If the company has credit accident and sickness insurance in force which was written under more than one premium rate schedule, then the experience reflects all of those rate schedules. For example, if single premium business was written in 1990 using a new premium rate schedule as compared to that used in 1989, then the earned premium in 1990 would be a combination of old and new rate schedules.

Please provide the exact amount of earned premium, under each rate schedule, for each of the three (3) years. If exact amounts are not available, provide your best estimate of those amounts.

Please provide any additional information or comments which the company believes may be pertinent to the information provided or to the Commission's morbidity study.

This form must be completed and returned no later than June 5, 1992 to:

U.S. Mail
Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance
P. O. Box 1157
Richmond, Virginia 23209

or

U.P.S., Federal Express, etc.
Commonwealth of Virginia
State Corporation Commission
Bureau of Insurance
1220 Bank Street
Richmond, Virginia 23219

Attention: Robert L. Wright

Any questions may be addressed to Robert F. Grissom, in writing, at either of the addresses shown above.