

COMMONWEALTH OF VIRGINIA



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BUREAU OF INSURANCE

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October 1, 2018

Administrative Letter 2018- 06

TO: All Carriers Licensed to Market Credit Life Insurance or Credit Accident and Sickness Insurance in Virginia and Interested Parties

RE: Credit Life Insurance and Credit Accident and Sickness Insurance Premium Rates Effective January 1, 2019

This Administrative Letter Withdraws and Replaces Administrative Letter 2015-12.

On August 22, 2018, the Virginia State Corporation Commission (the "Commission") issued an *Order Adopting Adjusted Prima Facie Rates for the Triennium Commencing January 1, 2019*, Case No. INS-2018-00030. All insurers licensed to market credit life insurance or credit accident and sickness insurance in Virginia were mailed a copy of the Order and the adopted rates on August 24, 2018. Pursuant to § 38.2-3725 D and E of the Code of Virginia, the adjusted prima facie rates for the triennium commencing January 1, 2019 will remain in effect until January 1, 2022.

Each company marketing credit life insurance or credit accident and sickness insurance in Virginia must submit the rates and refund formulas applicable to the upcoming triennium to the Bureau for approval if its rates currently on file exceed the adjusted prima facie rates set forth in Case No. INS-2018-00030. Each filing should include the following information:

- The specific single premium and monthly outstanding balance (MOB) rates and rate formulas, and examples of the rate formulas;
- All refund formulas, including examples;
- Any other information required to document the development of the rates and refund formulas;
- The date of previously approved formulas;
- The form number to which each rate or formula will apply; and
- A description of the referenced forms.

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A request for approval of a deviated premium rate or rates to be effective on or after January 1, 2019 may be included as part of the filing referenced above. It should be noted that previously approved deviated premium rates can only be used through December 31, 2018, in accordance with § 38.2-3728 C 1 of the Code of Virginia.

The filing requirement checklists for credit life insurance and credit accident and sickness insurance filings may be found on the Bureau's website at:

http://www.scc.virginia.gov/boi/co/health/lh_check.aspx

My staff will review filings as promptly as possible; however, companies that delay making filings until after December 1, 2018 cannot be assured that our review will be completed by January 1, 2019. Any insurer with rates currently on file that exceed the adjusted prima facie rates set forth in Case No. INS-2018-00030 that has not received the Bureau's approval of its revised rates and refund formulas on or before January 1, 2019 must cease marketing credit life insurance or credit accident and sickness insurance in Virginia as of January 1, 2019 and must cease charging premiums for existing MOB contracts as of January 1, 2019 until such date that it has received the Commission's approval, as noted above.

Any questions with regards to any of the above matters should be directed to:

Amanda G. McCauley
Principal Insurance Market Examiner
Life and Health Division
804-371-0034
amanda.mccauley@scc.virginia.gov

Sincerely,



Scott A. White
Commissioner of Insurance

SAW/agm