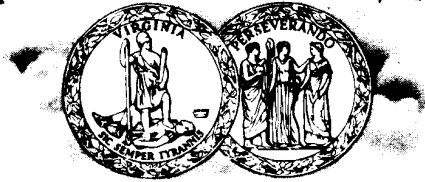


# COMMONWEALTH OF VIRGINIA

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## STATE CORPORATION COMMISSION BUREAU OF INSURANCE

August 9, 1988

### ADMINISTRATIVE LETTER 1988-12

**TO: All Companies Licensed To Write Property & Casualty  
Insurance in Virginia**

**RE: Withdrawal of Administrative Letter 1987-8**

The 1988 General Assembly passed House Bill 147 to amend Virginia Code Section 38.2-513 effective July 1, 1988. The amendment related to the prohibition against a lender requiring a borrower to use a particular insurance company or agent for the protection of secured property.

The following language has been added to Section 2.a of Virginia Code Section 38.2-513:

"Use of the ratings of a nationally recognized rating service shall not be deemed unreasonable provided such ratings are based on reasonable standards uniformly applied. If an insurer, duly licensed in Virginia, does not possess the required rating of a nationally recognized rating service, no person who lends money or extends credit shall refuse to accept from an insurer a certificate of 100% reinsurance issued by another insurer pursuant to Virginia Code Section 38.2-136, which does possess the required rating."

This Code amendment necessitates the withdrawal of Administrative Letter 1987-8 effective July 1, 1988.

Sincerely,

Steven T. Foster  
Commissioner of Insurance

STF:dw