

COMMONWEALTH OF VIRGINIA

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COMMISSIONER OF INSURANCE
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE



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Mandatory Offers of Coverage in the Insurance Code

Mandatory offers of coverage required by §§ [38.2-2120](#) (water which backs up through sewers or drains), [38.2-2124](#) (ordinance or law), [38.2-2201](#) (medical expense and loss of income benefits), and [38.2-2230](#) (rental reimbursement) of the Code of Virginia are continuing offers to insureds. As such, insurers must provide these coverages at the request of an insured at any time during the policy period. Until recently, the Bureau of Insurance (Bureau) took the position that insurers may not suspend the writing of these coverages in anticipation of a loss-producing event, such as a hurricane. However, the Bureau has changed its position. Insurers are no longer prohibited from suspending the writing of these coverages on existing policies during *the same period that they suspend the writing of new business policies*, when a loss-producing event is imminent. Any requests by insureds for these coverages during the temporary moratorium should be honored once the moratorium has been lifted.

Insurers should be aware that, except when the writing of these coverages is suspended during a loss-producing event, an insured must be able to add these coverages to an existing policy at any other time, subject to the insurers' filed rates.

Contractual Obligations in the Private Passenger Automobile Policy

The Bureau also wishes to remind insurers writing private passenger automobile policies that the Virginia automobile policies contain precise conditions relating to new or replacement vehicles. Insureds who purchase new vehicles or replacement vehicles during the period in which a temporary moratorium is in place immediately have Coverage for Damage to Your Auto (physical damage coverage) on the new or replacement vehicle if the insured currently has such coverage on at least one vehicle on the policy. If no such coverage is currently on the policy, the insurer must add this coverage as of the date the insured makes the request, even if a moratorium is in place. (The insured must request physical damage coverage for any newly acquired vehicle within 30 days of becoming the owner of the vehicle to ensure there is no gap in the coverage. If the insured makes the request after the 30 day period, coverage becomes effective at the time that it is requested.)

If you have any questions, please contact Katie Johnson at 804-371-9688 or at Katie.johnson@scc.virginia.gov.