

# 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

September 10, 1990

ADMINISTRATIVE LETTER 1990-18

TO: ALL INSURERS AUTHORIZED TO WRITE LIFE INSURANCE IN VIRGINIA  
RE: UNDERWRITING MILITARY PERSONNEL

It has come to my attention that a number of insurers have advised their underwriters and/or agents to decline applications for life insurance, or to refuse to submit applications for life insurance on the lives of members of the United States armed forces, including reserve units, who have orders or knowledge of pending orders for duty in the Persian Gulf or the Middle East. In some cases, such corporate policy extends even to those on active duty elsewhere in the world with the potential for assignment to the Persian Gulf or the Middle East. Many of these insurers have instructed their field personnel to conduct oral pre-screenings of potential applicants and to refuse even to take an application from military personnel such as those described above.

The purpose of this Administrative Letter is to inform all insurers authorized to write life insurance in Virginia that the Bureau of Insurance condemns the above practices and requests that insurers engaging in such practices immediately discontinue them. It is our intention to rigorously pursue all possible legal remedies available to us to put an end to such practices, and to initiate disciplinary proceedings against any insurers found to be in violation of any of the insurance laws of Virginia, including laws governing discrimination, and the Adverse Underwriting Decision requirements imposed upon both insurers and their appointed agents under the Insurance Information and Privacy Protection Act.

If your company is presently engaged in the practices described above, I request that you give the strongest consideration to changing your policy. If you have not adopted such a policy, I urge you to refrain from doing so.

Attached hereto you will find a questionnaire to be completed and certified by the chief executive officer or other responsible company officer of each company to which this Administrative Letter is being sent. In it, you are asked to affirm or deny that your company is engaged in the practices described in this letter; and if so engaged (or planning to become so engaged) whether your company will, as a result of this letter, discontinue such practices or its consideration of adopting such practices.

Administrative Letter 1990-18  
September 10, 1990  
Page Two

Your responses should be returned to this office by no later than September 14, 1990.

Your immediate attention to this matter will be appreciated.

Sincerely yours,

A handwritten signature in black ink, appearing to read "S. T. Foster", with a long horizontal flourish extending to the right.

Steven T. Foster  
Commissioner of Insurance

STF/ds  
Attachment

Questionnaire for Administrative Letter 1990-18  
Underwriting Military Personnel

Due Date: September 14, 1990

Address responses to the attention of the: Life and Health Research Section  
Bureau of Insurance  
OR P. O. Box 1157  
Richmond, Virginia 23209

You may FAX your response to: Life and Health Research Section at  
(804) 371-7873

Name of Company: \_\_\_\_\_

NAIC Number: \_\_\_\_\_

Address: \_\_\_\_\_

Name and Title of Person Responding: \_\_\_\_\_

Telephone Number of Person Responding: \_\_\_\_\_

I. Has the above-named company instituted a policy of:

a. Refusing life insurance coverage to military personnel or reservists with orders for duty or who have already been deployed to the Persian Gulf or the Middle East?  Yes  No

1) If "Yes", will the company agree to discontinue this practice?  Yes  No

b. Refusing life insurance coverage to military personnel or reservists with knowledge of pending orders for duty in the Persian Gulf or the Middle East?  Yes  No

1) If "Yes", will the company agree to discontinue this practice?  Yes  No

c. Refusing life insurance coverage to military personnel or reservists other than those with orders or pending orders for duty in the Persian Gulf or the Middle East?  Yes  No

If "Yes", please explain, and indicate whether the company will agree to discontinue this practice.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  Yes  No

- II. Has the above-captioned company instituted a policy of advising its appointed agents in Virginia to decline to write life insurance applications from military personnel or reservists who:
- a. Have received orders or have been deployed to the Persian Gulf or the Middle East?  Yes  No
    - 1) If "Yes", will the company agree to discontinue this practice?  Yes  No
  - b. Have knowledge of pending orders for duty in the Persian Gulf or the Middle East?  Yes  No
    - 1) If "Yes", will the company agree to discontinue this practice?  Yes  No
  - c. Have the potential to receive orders for duty in the Persian Gulf or the Middle East?  Yes  No
    - 1) If "Yes", will the company agree to discontinue this practice?  Yes  No
- III. Does the above named company utilize a "war exclusion" provision (whether included in the policy or added by endorsement) in its life insurance policies?  Yes  No
- a. If "Yes", is such provision included or added
    - 1. to all policies?  Yes  No
    - 2. to all policies issued to active military personnel?  Yes  No
    - 3. to all policies issued to members of the military reserve?  Yes  No
    - 4. to policies issued to military or reserve personnel deployed to the Persian Gulf or the Middle East?  Yes  No
    - 5. to policies issued to military or reserve personnel with orders for duty in the Persian Gulf or the Middle East?  Yes  No
    - 6. to policies issued to military or reserve personnel with knowledge of pending orders for duty in the Persian Gulf or the Middle East?  Yes  No
    - 7. to policies issued to military or reserve personnel in units with the potential to be deployed to the Persian Gulf or the Middle East?  Yes  No