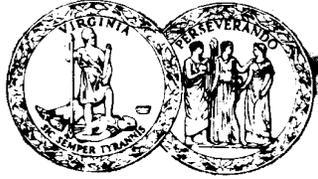


# COMMONWEALTH OF VIRGINIA



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## STATE CORPORATION COMMISSION BUREAU OF INSURANCE

November 25, 1992

### Administrative Letter 1992-23

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

RE: New Chapter 37.1 of Title 38.2, Code of Virginia

The 1992 Virginia General Assembly amended Title 38.2 of the Code of Virginia by adding Chapter 37.1, which pertains to credit life insurance and credit accident and sickness insurance. This code revision has been addressed in prior administrative letters sent to you.

Many of the requirements of new Chapter 37.1 require changes to forms. Also, the new statutes require changes to the premiums that can be charged for credit life insurance and credit accident and sickness insurance coverage. Section 38.2-3725 of Chapter 37.1 provides that forms and premium rates must be filed and approved by the State Corporation Commission before they can be used in Virginia. Since new Chapter 37.1 is effective on January 1, 1993, forms and rates must be in compliance as of this date.

I am very concerned that as of the date of this letter, approximately ninety percent (90%) of insurers licensed to sell credit life insurance and credit accident and sickness insurance in Virginia have not filed forms and rates for review to determine compliance with our new statutes. Many of the filings received to date are incomplete.

The purpose of this letter is to advise insurers that my staff and I will do whatever possible to see that forms and rates are reviewed as promptly as possible; however, companies that have delayed their filings cannot be assured that review of their filings can be completed by January 1, 1993. Companies that do not have forms and rates approved as being in compliance with new Chapter 37.1 of Title 38.2, Code of Virginia, must cease marketing credit life insurance and credit accident and sickness insurance as of January 1, 1993.

Sincerely yours,

Steven T. Foster  
Commissioner of Insurance

STF/ds