

COMMONWEALTH OF VIRGINIA



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STATE CORPORATION COMMISSION BUREAU OF INSURANCE

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Administrative Letter 1979-22

TO: The Presidents of All Companies Licensed
to Write Fire Insurance in Virginia

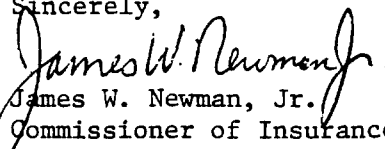
During the 1979 Session the Virginia General Assembly passed the "Arson Reporting - Immunity Act", which took effect on July 1, 1979. I have attached a copy of the Act for your information.

This Act is designed to facilitate the flow of information between insurance companies and law enforcement agencies regarding fire losses in which arson is present or suspected. There is an immunity clause for insurance companies and for persons acting on their behalf who release information pursuant to this Act.

The purpose of this letter is twofold. First, I want to be certain that you and your management and claims staff are familiar with the Virginia Arson Reporting - Immunity Act. Therefore, I request that you send a copy of the Act to your management and claims staff responsible for your operations in Virginia.

Second, I want to know whether the Virginia Arson Reporting - Immunity Act achieves its purpose. Therefore, I would like to be informed of any good or bad experiences your company has working with State and local law enforcement agencies in Virginia regarding suspicious fire losses.

It is vitally important that the growing arson problem in this Country be eliminated. I hope this Act will help achieve this goal in Virginia. It can only do this if insurance companies are aware of its existence and make use of its provisions. If there are problems that are inhibiting the effectiveness of this Act, I want to know about them. I sincerely appreciate your assistance in working with me in this matter.

Sincerely,

James W. Newman, Jr.
Commissioner of Insurance

JWNjr:dj
Attachment

An Act to amend the Code of Virginia by adding in Chapter 6 of Title 27 an article numbered 3, consisting of sections numbered 27-85.3 through 27-85.6, relating to reporting of arson by insurance companies.

[H 1243]

Approved March 19, 1979

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Chapter 6 of Title 27 an article numbered 3, consisting of sections numbered 27-85.3 through 27-85.6 as follows:

Article 3.

Arson Reporting-Immunity Act.

§ 27-85.3. Short title.—This act shall be known as the Arson Reporting-Immunity Act.

§ 27-85.4. Definitions.—For the purposes of this article:

A. "Authorized agencies" shall mean:

1. The chief of any municipal or county fire or police department or the sheriff of any county;

2. The arson investigator of the State Police Department;

3. The Commonwealth's Attorney or other person responsible for prosecutions in the jurisdiction where the fire occurred.

B. "Action," as used in this article, shall include nonaction or the failure to take action.

C. "Insurance company" includes the Virginia Property Insurance Association.

§ 27-85.5. Disclosure of information.—A. Any authorized agency may, in writing, require an insurance company to release to the requesting agency any or all relevant information or evidence deemed material by the requesting agency in the insurance company's possession relating to the fire loss in question. Relevant information may include, but shall not be limited to:

1. Pertinent insurance policy information relevant to a fire loss under investigation and any application for such a policy;

2. Policy premium payment records;

3. History of previous claims made by the insured;

4. Material relating to the investigation of the loss, including statements of any person, proof of loss, and any other evidence relevant to the investigation.

B. 1. When an insurance company has reason to believe that a fire loss in which it has an interest may be of other than accidental cause, then, for the purpose of notification and for having such fire loss investigated, the company shall, in writing, notify an authorized agency and provide it with any or all material developed from the company's inquiry into the fire loss.

2. When an insurance company provides any one of the authorized agencies with notice of a fire loss, it shall be sufficient notice for the purpose of this article.

C. The authorized agency provided with information pursuant to subsections A. or B. of § 27-85.5 and in furtherance of its own purposes, may release or provide such information to any of the other authorized agencies.

D. Any insurance company providing information to an authorized agency or agencies pursuant to subsections A. or B. of § 27-85.5 shall have the right to request relevant information and receive, within a reasonable time, not to exceed thirty days, the information requested.

E. Any insurance company, or person acting in its behalf or authorized agency who releases information, whether oral or written, pursuant to subsections A. or B. of § 27-85.5 shall be immune from any liability arising out of a civil action, or penalty resulting from a criminal prosecution unless actual malice on the part of the insurance company or authorized agency is present.

§ 27-85.6. Evidence.—Any authorized agency and insurance company described in §§ 27-85.4 or 27-85.5 who receives any information furnished pursuant to this article, shall hold the information in confidence until such time as its release is required pursuant to a criminal or civil proceeding, except release in accordance with subsection C. of § 27-85.5.