



BUREAU OF INSURANCE

May 30, 2000

Administrative Letter 2000- 7

TO: All Companies licensed pursuant to § 38.2-1024 or § 38.2-1206 of Title 38.2 of the Code of Virginia to write any form of property or casualty insurance or seeking authority in Virginia to write credit property insurance.

RE: Credit Property Insurance, Code of Virginia § 38.2-122.2

During its 2000 session, the General Assembly of Virginia enacted House Bill 716. This bill amended statutes affecting various types of credit insurance and also added a new § 38.2-122.2 to the Code of Virginia which, effective July 1, 2000, establishes "credit property insurance" as a class of insurance. Insurers that intend to write this coverage or that are currently writing the coverage described in this new section must request an amendment to their license if they are going to offer "credit property insurance" on or after July 1, 2000.

- An insurer authorized in Virginia prior to July 1, 2000, to offer fire, miscellaneous property, inland marine or homeowners insurance may request that its license be amended to recognize specific authority for credit property insurance by filing the "*Special Application for Amended License in Virginia, Code of Virginia Section 38.2-122.2 - Credit Property Insurance*" attached to this administrative letter. Insurers submitting a properly completed special application form to the Bureau of Insurance before January 1, 2001, will have their license amended automatically to specify authority for credit property insurance.
- On and after January 1, 2001, an insurer that may have been eligible to use this special application, but which failed to submit the completed special application form before the January 1, 2001, deadline must request the amendment to its license through the regular application process.

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- All other insurers seeking authority for an additional line or class of insurance also must request the amendment to their license through the regular application process.

Companies writing credit property insurance should familiarize themselves with the provisions of House Bill 716 as enacted as Chapter 526 of the 2000 Acts of Assembly. "HB716" may be viewed on the Internet at the "Government; Legislative Branch" sections of the website for the Commonwealth of Virginia at <http://www.state.va.us/>. The laws, as amended and effective July 1, 2000, should be available at the "Government, Code of Virginia" sections of this website after July 1, 2000.

Questions concerning license authorization should be directed to the Financial Regulation Division of the Bureau of Insurance. Questions pertaining to the rate, form, or certification requirements contained in House Bill 716 should be directed to:

Rebecca Nichols, CPCU, CIC, AIE
Principal Insurance Market Examiner
Personal Lines Rates and Forms Section
Property and Casualty Market Regulation Division
(804) 371-9965

Sincerely,

s/Alfred W. Gross

Alfred W. Gross
Commissioner of Insurance

AWG:jdg

Attachment: *Special Application for Amended License in Virginia, Code of Virginia Section 38.2-122.2 - Credit Property Insurance (Form # SCCBOI27)*

NAIC Number _____

**COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE**

**SPECIAL APPLICATION FOR AMENDED LICENSE IN VIRGINIA
CODE OF VIRGINIA SECTION 38.2-122.2 -- CREDIT PROPERTY INSURANCE**

Full and Exact Corporate Name of Insurance Company (the Insurer)

Corporate Office Address in State of Domicile. Give Street Address, City, State, and Zip Code.

Executive or Administrative Office Address (i.e., Mailing Address). Give Street Address, City, State, and Zip Code.

organized under the laws of _____ hereby certifies that it is in compliance with the applicable laws of Virginia and applies for license to transact the class of credit property insurance in Virginia.

It is hereby certified that (i) the Insurer is duly authorized in Virginia to write the line(s) of fire, miscellaneous property, inland marine or homeowners insurance as classified by §§ 38.2-110, 38.2-111, 38.2-126 and 38.2-130 of the Code of Virginia and (ii) the Insurer understands its obligation to report its experience with credit property insurance annually by submitting the Credit Insurance Experience Exhibit required pursuant to § 38.2-1300 of the Code of Virginia.

Dated at _____ this the _____ day of _____, 2000.

Original Signature of Officer

Title of Officer

Sworn to and subscribed before me this _____ day of _____, 2000.

Notary's Seal

My commission expires _____

Completed forms must be filed prior to January 1, 2001, with the Financial Regulation Division of the Virginia State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, VA 23218