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STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

Administrative Letter

January 18, 1980

1980 - 1

TO: All Companies Licensed in Virginia to Transact the Business
of Accident and Sickness Insurance

By Order dated October 23, 1979 the Virginia State Corporation Commission adopted Insurance Regulation No. 15, "Rules Governing Reserve Standards for Accident and Sickness Insurance Policies". Insurance Regulation No. 15 has an effective date of December 31, 1979.

Following adoption of this regulation several parties have expressed concern over the apparent retroactive application of the reserve standards to policies issued prior to January 1, 1965. The purpose of this letter is to clarify and confirm that Insurance Regulation 15 is only applicable to policies of accident and sickness insurance issued on or after the effective date of the regulation, December 31, 1979. At the option of the insurer, the reserve standards set forth in this regulation may be applied to policies issued prior to December 31, 1979.

Very truly yours,

L. Gerald Roach
Deputy Commissioner
Financial Condition Division

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