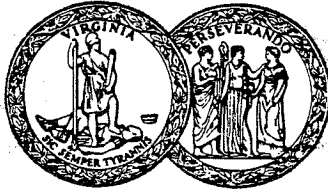


COMMONWEALTH OF VIRGINIA



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STATE CORPORATION COMMISSION BUREAU OF INSURANCE

June 16, 1980

Administrative Letter 1980-8

TO: All Companies Licensed to Transact Credit
Insurance in the Commonwealth of Virginia

RE: Insurance Regulation #13

The purpose of this letter is to clarify what the Bureau considers a replacement of an existing credit insurance policy as well as what anniversary dates are operative for group policies pursuant to the provisions of Section 19 of Insurance Regulation #13 (Case #19885).

An insurer, whether or not requested by the creditor, cannot delay the effect of Regulation #13 by replacing one of its or another insurer's existing policies with a new policy issued after February 29, 1980. Replacement, in the context of Regulation #13, is the issuance of a policy which is intended to take the place of an existing policy. Thus, the issuance of an additional or a "supplementary policy" after February 29, 1980 is deemed to be a replacement.

Section 19 of the Regulation states further that "Any policy issued to replace an existing policy of credit insurance shall be ignored for the purposes of determining the anniversary date...". Therefore, the anniversary date of the new policy will remain the same as that of the existing policy (with the current rate of the existing policy being applicable to its original anniversary date).

This letter shall supersede any letters or opinions rendered by this Bureau. Any policies issued after February 29, 1980 are subject to this interpretation of Section 19. If you have any questions regarding this letter, please direct them in writing, to William J. Gestwick, FLMI, Assistant Commissioner, Life and Health Division, Bureau of Insurance. He will respond as promptly as possible.

Sincerely,

James W. Newman Jr.
James W. Newman, Jr.
Commissioner of Insurance