

JAMES M. THOMSON
COMMISSIONER OF INSURANCE



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TELEPHONE (804) 786 -

**STATE CORPORATION COMMISSION
BUREAU OF INSURANCE**

January 7, 1982

ADMINISTRATIVE
LETTER 1982-1

TO: All Surplus Lines Brokers Licensed in Virginia
RE: Notice to be provided to the insured pursuant to Section
38.1-327.52 of the Code of Virginia

By Administrative Letter 1981-19, dated November 30, 1981, advice regarding the required content of the above referenced notice was provided.

Subsequent to promulgating said required notice content, the Bureau of Insurance has received requests for reconsideration thereof.

Revised content for the notice has now been established, and, upon receipt of this letter and the attachments hereto, such revised content may be used in lieu of the notice content forwarded to you on November 30, 1981, by either or both of the following two techniques:

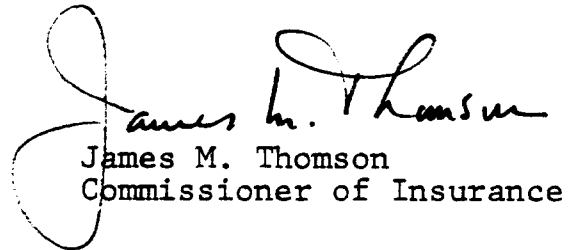
1. Physical attachment to the policy by stamp, sticker, or other means. (See Exhibit A).
2. Separate notice stating in addition to the attached language the insured's name, the date of placement or procurement, and the signature of the broker or property and casualty agent actually in contact with the insured. (See Exhibit B).

In the case of a property and casualty agent placing the business through a surplus lines broker it is the duty of the broker to ensure compliance with this letter.

Further, by Administrative Letter 1981-16, dated October 22, 1981, advice was provided regarding the standard form of adverse underwriting decision (AUD) notice with respect to a risk placed with an unauthorized insurer (the Surplus Lines Insurance market).

As regards such AUD notices, this is to remind you that (1) such are applicable only to an "insurance transaction" involving insurance primarily for personal, family, or household needs rather than business or professional needs, and (2) the Original Copy of AUD notice should be attached to the copy of the affidavit that is filed with the Bureau of Insurance.

It is the intent of these notices to provide timely disclosure to the insured. Your efforts to promote this intent will be greatly appreciated.



James M. Thomson
James M. Thomson
Commissioner of Insurance

JMT/mle

Attachments

NOTICE

This policy has been procured from an insurance company not licensed or regulated by Virginia, because it could not be obtained from a company which is licensed by the State, and there is no protection under the Virginia Insurance Guaranty Act against financial loss to claimants or policyholders because of the insolvency of such an unlicensed insurance company.

Applicant/Insured _____

NOTICE

This policy has been applied for or is being procured from an insurance company not licensed or regulated by Virginia because it could not be obtained from a company which is licensed by the State, and there is no protection under the Virginia Insurance Guaranty Act against financial loss to claimants or policyholders because of the insolvency of such an unlicensed company.

1. _____
(Surplus Lines Broker)

By _____
(Authorized Individual if
Licensee is a Corporation or
Partnership)

OR

2. _____
(Agency)

By _____
(Authorized Licensed Property
and Casualty Agent)