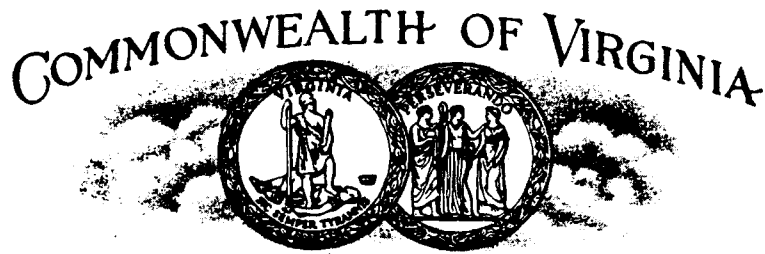


JAMES M. THOMSON  
COMMISSIONER OF INSURANCE

THOMAS S. NARDO  
FIRST DEPUTY COMMISSIONER



BOX 1157  
RICHMOND, VA. 23209  
TELEPHONE (804) 786-37

**STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE**

February 21, 1985

**ADMINISTRATIVE  
LETTER 1985-4**

**TO: All Companies Licensed to Sell Life Insurance in Virginia**

**RE: Misstatement of Age or Sex Adjustments in Universal Life Insurance Policies**

The Virginia Bureau of Insurance has recently received numerous requests, from insurers issuing Universal Life insurance policies, to consider accepting the misstatement of age or sex adjustment which complies substantially with the adjustment found in the Model Regulation on Universal Life insurance adopted by the NAIC in December, 1983. The Bureau conducted a study of this adjustment and concluded that it should be accepted on the basis that it provides equitable and reasonable results for policyowners, and it can be administered accurately and proficiently. Therefore, in accordance with Section 38.1-404 of the Code of Virginia, the Bureau will accept either of the following provisions for age or sex misstatements in Universal Life contracts, effective immediately.

- 1) If there is an error in the age or sex of the insured, the proceeds payable shall be adjusted by the difference between the monthly deductions deducted, and the monthly deductions which should have been deducted, accumulated at the interest rates that were credited to the cash value from the date of issue of the policy or;
- 2) If there is a misstatement of age or sex in the policy, the amount of the death benefit shall be that which would be purchased by the most recent mortality charge at the correct age or sex.

It should be emphasized that Virginia has not adopted the model regulation on Universal Life insurance. Acceptance of this particular provision should not be construed as acceptance or endorsement of any other requirement referenced in the Regulation.

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Any questions concerning the misstatement of age or sex adjustments for Universal Life contracts should be directed, in writing to:

Jacqueline Cunningham  
Senior Policy Examiner  
Bureau of Insurance  
P. O. Box 1157  
Richmond, Virginia 23209

Sincerely,

James M. Thomson  
Commissioner of Insurance

A handwritten signature in cursive script, appearing to read "P. A. Synnott, Jr.", written in dark ink.

By: P. A. Synnott, Jr., CLU, CPCU  
Deputy Commissioner  
Market Regulation

PASJr./ds