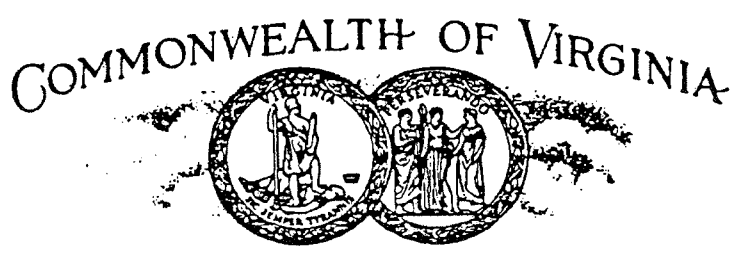


JAMES M. THOMSON  
COMMISSIONER OF INSURANCE  
THOMAS S. NARDO  
FIRST DEPUTY COMMISSIONER



BOX 1157  
RICHMOND, VA. 23209  
TELEPHONE (804) 786-3741

**LETTER**

STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE

WITHDRAWN

February 25, 1985

By Administrative  
Letter 2007-8

ADMINISTRATIVE LETTER 1985-5

TO: ALL COMPANIES AND RATE SERVICE ORGANIZATIONS LICENSED FOR  
GENERAL LIABILITY INSURANCE IN THE COMMONWEALTH OF VIRGINIA

RE: LIABILITY POLICIES - DEFENSE COSTS/CLAIMS EXPENSES INCLUDED  
IN THE LIMIT OF LIABILITY

LIABILITY POLICIES - DEDUCTIBLE APPLYING TO DEFENSE  
COSTS/CLAIMS EXPENSE

We have recently received general liability policies which stipulate that defense costs/claims expenses are not supplementary payments but are to be included in the Limit of Liability. In addition, policy filings have been received which contain a deductible provision requiring the deductible be applied to defense costs/claims expenses.

It is the Bureau's position that these provisions are misleading unless the Declarations page prominently displays a notification to the insured outlining these restrictions in coverage.

Please review your currently approved filings and make the changes necessitated by the Bureau's requirements as outlined in this Administrative Letter by filing amended Declarations for our review.

Sincerely,

James M. Thomson  
Commissioner of Insurance

by: Paul A. Synnott, Jr.  
Paul A. Synnott, Jr.  
Deputy Commissioner

ah