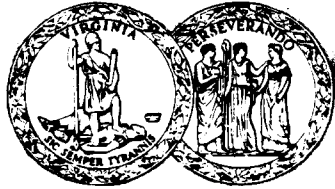


COMMONWEALTH OF VIRGINIA

JAMES M. THOMSON
COMMISSIONER OF INSURANCE

THOMAS S. NARDO
FIRST DEPUTY COMMISSIONER



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STATE CORPORATION COMMISSION BUREAU OF INSURANCE April 30, 1986

Administrative Letter 1986-5

TO: ALL DOMESTIC INSURERS AUTHORIZED TO WRITE LIFE INSURANCE, ANNUITIES, AND/OR ACCIDENT AND SICKNESS INSURANCE; ALL DOMESTIC NONPROFIT LIFE BENEFIT COMPANIES, MUTUAL ASSESSMENT LIFE, ACCIDENT AND SICKNESS INSURERS, BURIAL SOCIETIES AND FRATERNAL BENEFIT SOCIETIES; AND INSURANCE SUPERVISORY OFFICIALS OF THE JURISDICTIONS LISTED HEREIN

SUBJECT: Prohibition Against Insuring Lives or Persons of Residents of States in Which Insurer is not Licensed

§38.1-433 of the Code of Virginia will be superseded by §38.2-3102 effective July 1, 1986. The text of §38.2-3102 is attached hereto for your reference. This statute prohibits domestic insurers (as described above) from insuring the lives or persons of residents of jurisdictions in which such insurers are not licensed, PROVIDED that such other jurisdiction has a like statute. There are certain exceptions to the basic prohibition, which are fully set out in subsection C of §38.2-3102.

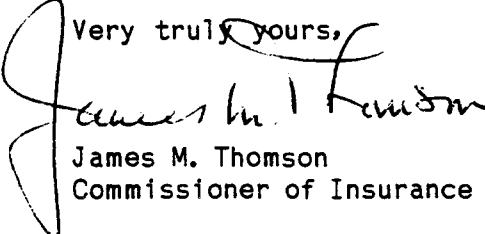
The only substantive difference between §38.1-433 and §38.2-3102 is that, under the new insurance title, the Commission will no longer be obligated to annually provide you with a list of those jurisdictions in which you would be prohibited from writing life insurance or accident and sickness insurance unless duly licensed to do so by that jurisdiction.

The attached list of "Reciprocal States", then, is being furnished to you for the last time. Henceforth, you will be responsible for determining whether or not jurisdictions in which you seek to write life insurance or accident and sickness insurance are "Reciprocal States" as defined by §38.2-3102. The Bureau of Insurance has surveyed the various states and other jurisdictions, and a listing of those which are "Reciprocal States" follows.

This Administrative Letter is also being sent to the Insurance Supervisory Official of each "Reciprocal State", and we ask them to notify the Bureau of Insurance at any time that they discover violations by any of our domestic insurers with respect to the subject matter hereof.

It is suggested that this Administrative Letter be retained for future reference. Kindly address any questions, in writing, to Gerald A. Milsky, Assistant Commissioner, Life and Health Division, at the above address.

Very truly yours,


James M. Thomson
Commissioner of Insurance

JMT:GAM/csw
Enclosure

Code of Virginia, as amended
Title 38.2, Chapter 31, Article 1

§38.2-3102. Domestic insurers prohibited from insuring lives and persons of residents of "reciprocal states". - A. As used in this section, "reciprocal state" means a state whose laws prohibit its domestic insurers from insuring the lives or persons of residents of this Commonwealth unless the insurer is licensed in this Commonwealth. The prohibition may be subject to exceptions similar to those set forth in subsection C of this section.

B. Subject to the exceptions set forth in subsection C of this section, a domestic insurer shall not enter into an insurance contract upon the life or person of a resident of a reciprocal state unless the insurer is licensed in that state.

C. The following are exceptions to the provisions of subsection B of this section:

1. Contracts entered into when the person insured, or proposed to be insured, is, at the time he signs the application, personally present in a state where the insurer is licensed;
2. Certificates issued under any lawfully issued group life or group accident and sickness policy, when the group policy is entered into in a state where the insurer is licensed;
3. Contracts made pursuant to a pension or retirement plan of an employer, when the contracts are applied for in a state where the employer is personally present or doing business and where the insurer is also licensed; or
4. Contracts renewed, reinstated, converted, or continued in force, with or without modification, that are otherwise lawful and that were not originally executed in violation of this section.

JURISDICTIONS DEEMED "RECIPROCAL STATES" PURSUANT TO
§38.2-3102 (FORMERLY §38.1-433)
OF THE CODE OF VIRGINIA

Note: The reciprocal states laws of most states apply to any insurance contract issued upon the life or person of a resident of, or property or operations located in, a reciprocal state. Virginia's law, however, applies only to contracts issued upon the lives or persons of residents of reciprocal states. Thus, Virginia is "reciprocal" only with regard to life insurance, annuities, and accident and sickness insurance.

<u>JURISDICTION</u>	<u>CITATION</u>
ALASKA	- (§21.69.420, Alaska Statutes)
CALIFORNIA	- (§706.7, California Insurance Code)
COLORADO	- (§10-1-121, Colorado Insurance Code)
DELAWARE	- (Title 18, §4935, Delaware Insurance Code)
FLORIDA	- (§628.291, Florida Insurance Code)
HAWAII	- (§431-150, Hawaii Insurance Code)
IDAHO	- (§41-2851, Idaho Insurance Code)
KANSAS	- (§40-214, Kansas Insurance Code)
LOUISIANA	- (§22:1251, Louisiana Insurance Code)
MAINE	- (Title 24-A, §3421, Maine Insurance Code)
MARYLAND	- (Article 48A, §275, Maryland Insurance Code)
MICHIGAN	- (§500.5208(1), Michigan Insurance Code)
MISSISSIPPI	- (§83-19-69, Mississippi Insurance Code)
MONTANA	- (§33-3-502, Montana Insurance Code)
NEBRASKA	- (§44-2501, Nebraska Insurance Code)
NEW HAMPSHIRE	- (§402:54-55, New Hampshire Insurance Code)
NEW MEXICO	- (§59-34-33, New Mexico Insurance Code)
NORTH CAROLINA	- (§58-54.27, North Carolina Insurance Laws)
NORTH DAKOTA	- (§26.1-05-34, North Dakota Insurance Laws)
OHIO	- (§3905.44, Ohio Insurance Code)
OREGON	- (§731-454, Oregon Insurance Code)
PUERTO RICO	- (§2932(3), Puerto Rico Insurance Code)
SOUTH DAKOTA	- (§58-5-100, South Dakota Insurance Laws)
UTAH	- (§31-7-13, Utah Insurance Code)
VIRGIN ISLANDS	- (Title 22, §314, Virgin Islands Code)
WASHINGTON	- (§48.07.150, Washington Insurance Code)