

JAMES M. THOMSON  
COMMISSIONER OF INSURANCE

THOMAS S. NARDO  
FIRST DEPUTY COMMISSIONER



BOX 1157  
RICHMOND, VA. 23  
TELEPHONE (804) 786

STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE

May 19, 1986

ADMINISTRATIVE LETTER 1986-7

TO: ALL COMPANIES LICENSED TO WRITE AUTOMOBILE LIABILITY  
INSURANCE IN VIRGINIA

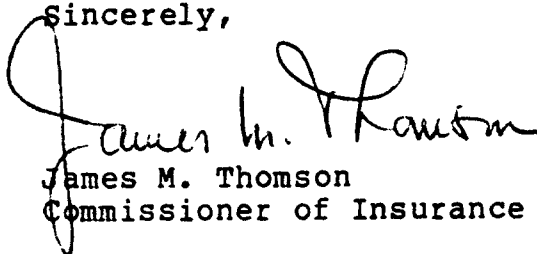
RE: CANCELLATION OF VANPOOL VEHICLES

The 1986 Virginia Legislature passed Senate Bill 293 concerning the cancellation of vanpool vehicles. A copy of Senate Bill 293 is reproduced on the back of this letter for your reference.

This bill, effective July 1, 1986, amends the Code of Virginia by adding a new section numbered 38.1-381.11 which prohibits automobile insurers from cancelling or non-renewing policies that insure vehicles used in vanpooling as defined in Section 56-274 and where these vehicles are used to transport commuters to and from work on a regular basis, except where the insured has failed to pay his premium, or any installment thereof, or where the driving record of the named insured or any regular driver is such that it substantially increases the risk. In addition, on and after July 1, 1986 no insurer that issues or renews a policy of motor vehicle liability insurance insuring a vehicle not being used for vanpooling at the time of such issuance or renewal shall be subject to the provisions of this bill unless the insurer receives by certified mail thirty days written notice that the insured intends to use the vehicle for vanpooling. The provisions of Section 38.1-381.11 expire on July 1, 1987.

The State Corporation Commission will not be preparing Standard Form changes for this Section. All companies will be expected to abide by the provisions of Section 38.1-381.11 even though the forms will not reflect said provisions.

Sincerely,

  
James M. Thomson  
Commissioner of Insurance

*An Act to amend the Code of Virginia by adding a section numbered 38.1-381.11, requiring automobile insurers to renew coverage for vanpools; exceptions.*

[S 293

Approved APR 10 1986

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 38.1-381.11 as follows:

*§ 38.1-381.11. Insurers required to renew motor vehicle liability coverage for vanpools exceptions.—A. As used in this section, "vanpooling" means the type of joint arrangement as defined in paragraph 10 of § 56-274 and where such motor vehicles are used to transport commuters to and from their places of employment on a regular basis. "Motor vehicle" as used in this section shall mean any motor vehicle designed to transport no less than ten nor more than fifteen passengers in fixed seats.*

*B. No insurer as defined in § 38.1-381.5 shall cancel or refuse to renew a policy of liability insurance coverage for motor vehicles used in vanpooling as defined in subsection A of this section for a period of one year following the effective date of this section except for one or both of the following specified reasons:*

- 1. The named insured fails to discharge when due any payment of the premium for the policy or any installment thereof; or*
- 2. The driving record of the named insured or any regular driver is such that it substantially increases the risk.*

*C. Notwithstanding any provision of this section, on and after July 1, 1986, no insurer who issues or renews a policy of motor vehicle liability insurance to an insured who intends to use a vehicle for vanpooling which was not so used at the time the policy was issued or last renewed shall be subject to the provisions of this section unless the insurer has received by certified mail thirty days' written notice that the insured intends to use the vehicle for vanpooling.*

---

President of the Senate

---

Speaker of the House of Delegates

Approved:

---

Governor