

# COMMONWEALTH OF VIRGINIA



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COMMISSIONER OF INSURANCE

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## STATE CORPORATION COMMISSION BUREAU OF INSURANCE

June 2, 1988

### Administrative Letter 1988-10

**TO:** All Authorized Insurers, Health Services Plans, Health Maintenance Organizations, and Other Interested Parties

**RE:** House Bill 176 Requiring Notice To Accompany Policies

House Bill 176, passed by the 1988 General Assembly, will become effective July 1, 1988. This bill amends Virginia Code Sections 38.2-300 (Scope of Chapter) and 38.2-305 (Content of Policies) of the chapter on Provisions Relating to Insurance Policies and Contracts. The bill requires that a notice accompany each policy or contract advising the insured to contact the agent if a problem with the policy arises. The notice also must identify the appropriate contact addresses and phone numbers of the company's home or regional office issuing the policy for use if additional assistance is needed. The notice is also to include the phone number and address of the Bureau of Insurance for the insured's use in the event he is unable to contact, or obtain satisfaction from, the agent or company.

The statute requires the notice to accompany, rather than be attached to, the policy or contract. Therefore, the notice is not considered to be part of the policy or contract and is not required to be filed for approval with the Bureau of Insurance. We will, however, monitor compliance through routine market conduct examinations and consumer complaint reviews.

So that all companies have standard guidelines, the following address and phone numbers for the Bureau of Insurance should be used, depending on the type of policy or contract issued:

Life and Health Division		Property and Casualty Division
Bureau of Insurance		Bureau of Insurance
P.O. Box 1157	OR	P.O. Box 1157
Richmond, VA 23209		Richmond, VA 23209

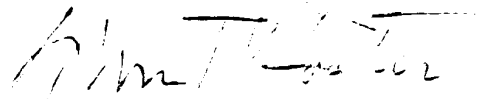
In state toll-free calls 1-800-552-7945  
Out-of-state calls 804-786-3741

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The language of the notice is to be substantially the same as the language used in the bill which is attached for your information. We recommend 10-point type be used for printing the notice.

This bill applies to all property and casualty (except ocean marine, reinsurance or surety), life, annuity, health, health service plan, and health maintenance organization policies and contracts, whether personal or commercial, issued on or after July 1, 1988. The notice requirement does not apply to certificates or evidences of coverage issued under life and health group contracts or policies.

Sincerely,

A handwritten signature in dark ink, appearing to read "Steven T. Foster", is written over a horizontal line.

Steven T. Foster  
Commissioner of Insurance

STF:bt

**1988 SESSION**  
**VIRGINIA ACTS OF ASSEMBLY - CHAPTER 333**

*An Act to amend and reenact §§ 38.2-300 and 38.2-305 of the Code of Virginia, relating to insurance policies and contracts in general.*

[H 176]

Approved ~~MAR 29~~ 1988

Be it enacted by the General Assembly of Virginia:

1. That §§ 38.2-300 and 38.2-305 of the Code of Virginia are amended and reenacted as follows:

§ 38.2-300. Scope of chapter.—This chapter shall apply to all classes of insurance except:

1. Ocean marine insurance;

2. Life insurance policies and accident and sickness insurance policies not delivered or issued for delivery in this Commonwealth;

3. Contracts of reinsurance; or

4. Annuities, except as provided for in §§ 38.2-305, 38.2-316 and 38.2-321.

§ 38.2-305. Contents of policies.—A. Each insurance policy or contract shall specify:

1. The names of the parties to the contract;

2. The subject of the insurance;

3. The risks insured against;

4. The time the insurance takes effect and, except in the case of group insurance, title insurance, and insurance written under perpetual policies, the period during which the insurance is to continue;

5. A statement of the premium, except in the case of group insurance and title insurance; and

6. The conditions pertaining to the insurance.

B. Each insurance policy or contract shall be accompanied by a notice stating substantially:

**IMPORTANT INFORMATION TO POLICYHOLDERS**

*"In the event you need to contact someone about this policy for any reason please contact your agent. If you have additional questions you may contact the insurance company issuing this policy at the following address and telephone number [Insert the appropriate address and telephone number, toll free number if available, for the company's home or regional office].*

*If you have been unable to contact or obtain satisfaction from the company or the agent, you may contact the Virginia Bureau of Insurance at: [Insert the appropriate address, toll free phone number, and phone number for out-of-state calls for the Bureau of Insurance.]*

*Written correspondence is preferable so that a record of your inquiry is maintained. When contacting your agent, company or the Bureau of Insurance, have your policy number available."*

B. C. If, under the contract, the exact amount of premiums is determinable only at the termination of the contract, a statement of the basis and rates upon which the final premium is to be determined and paid shall be furnished to any policy-examining bureau having jurisdiction or to the insured upon request.

C. D. This section shall not apply to surety insurance contracts.