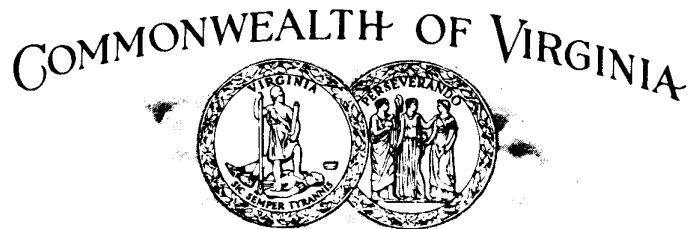


STEVEN T. FOSTER
COMMISSIONER OF INSURANCE



BOX 1157
RICHMOND, VIRGINIA 23209
TELEPHONE: (804) 371-9741
TDD/VOICE: (804) 371-9206

STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

July 5, 1994

ADMINISTRATIVE LETTER 1994-7

TO: ALL COMPANIES LICENSED TO WRITE AUTOMOBILE LIABILITY AND
AUTOMOBILE PHYSICAL DAMAGE INSURANCE IN VIRGINIA

RE: MANDATORY OFFER OF RENTAL REIMBURSEMENT COVERAGE

For policies effective on and after July 1, 1994, §38.2-2230 of
the Code of Virginia states:

Every insurer issuing a new or renewal policy of
motor vehicle insurance, as defined in §38.2-2212,
which provides comprehensive or collision coverage,
shall offer in writing to the named insured the
option of purchasing rental reimbursement coverage.

The purpose of this letter is to inform each company licensed to
write automobile liability and automobile physical damage
insurance of the application of §38.2-2230.

Administrative Letter 1994-7
July 5, 1994
Page Three

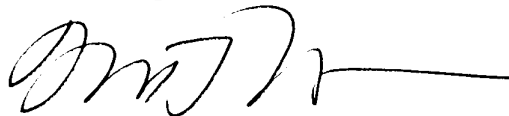
§38.2-2230 requires a positive offer, in writing, with each new or renewal policy. Insurers have flexibility as to the manner in which the offer is given; however, the offer must not be ambiguous or obscure and must be given not later than at the time the new or renewal policy is delivered.

The attached example may be of help in determining the kind of notice or offer that a company should use in order to comply with §38.2-2230. Notices used by individual insurers are not subject to our approval, and should not be filed with the Bureau of Insurance; however, future market conduct examinations will include a determination of whether companies are complying with the statute.

Insurers whose filings do not include provisions for accommodating the provisions of §38.2-2230 should submit the appropriate rule and, if applicable, rate filings as soon as possible in order to comply with the July 1, 1994, effective date.

Questions regarding §38.2-2230 may be directed to the Bureau of Insurance, Property and Casualty Division, at (804) 371-9965.

Sincerely,

A handwritten signature in black ink, appearing to read "S. T. Foster", followed by a horizontal line extending to the right.

Steven T. Foster
Commissioner of Insurance

/rn

Attachments