

Review Requirements Checklist  
CREDIT LIFE/ACCIDENT AND SICKNESS APPLICATIONS/DISCLOSURES

REVIEW REQUIREMENTS	REFERENCES	COMMENTS
<b>General Filing Requirements</b>		
Transmittal Letter	14 VAC 5-100-40	<b>For Paper Filings:</b> Must be submitted in duplicate for each filing, describing each form, its intended use and kind of insurance provided.
	14 VAC 5-100-40 1	Forms submitted and described in transmittal letter must have a number that consists of digits, letters or a combination of both.
	14 VAC 5-100-40 2	Must clearly indicate if forms are replacements, revisions, or modifications of previously approved forms and describe the exact changes that are intended.
	14 VAC 5-100-40 3	Certification of Compliance signed by General Counsel or officer of company or attorney or actuary representing company is required.
	14 VAC 5-100-40 5	Description of market for which the form is intended.
	14 VAC 5-100-40 6	<b>For Paper Filings:</b> At least one copy of each form must be included in the filing. A duplicate copy of forms must be submitted if the company wants a “stamped” copy of forms for its records. A stamped self-addressed return envelope is required. The letter of transmittal must be addressed to: State Corporation Commission, Bureau of Insurance, P. O. Box 1157, Richmond, VA 23218.
	Administrative Letter 1983-7	Must include the name and NAIC number of the company for which the filing is made.
<b>Additional SERFF Filing Requirements</b>	<b>Administrative Letter 2012-03</b>	<b>Additional SERFF filing requirements must be met as specified below for life and health forms and rate filings. Failure to provide the applicable information will result in a “rejected” filing.</b>
<b>General Information – Filing Description</b>		(i) Description of each form by name, title, edition date, other; and intended use.
		(ii) Identification of changes in benefits and premiums (previously approved or filed forms). [Place changed contract provisions (red-lined or highlighted) in Supporting Documentation].
		(iii) Identification of SERFF or state tracking number for the previously approved or filed form for which the new form revises, replaces, or is intended to be used.
		(iv) A statement as to whether any other regulatory body has withdrawn approval of the form because the form contains one or more provisions that were deemed to be misleading, deceptive or contrary to public policy.
<b>HELP TIP:</b>		If a form or rate filing is submitted as new in Virginia, but was previously disapproved or withdrawn in Virginia, please provide details such as the tracking information, form number, and the date that the form or rate filing was disapproved or withdrawn, if available.

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<b>Rate Changes</b>		(i) Specify the number of affected policyholders.
		(ii) Provide the reason(s) for the proposed change(s).
		(iii) Include a statement regarding an increase, decrease, revision of former rates.
		(iv) Specify the percentage amount(s) of the change(s).
<b>Forms</b>		
Form Number	14 VAC 5-100-50 1	Form number must appear in lower left-hand corner of first page of each form.
Company Name & Address	14 VAC 5-100-50 2	Full and proper corporate name (including "Inc.") must prominently appear on cover sheet of all policies and other forms. Home office address of insurer must prominently appear on each policy.
Final Form	14 VAC 5-100-50 3	Form must be submitted in the final form in which it will be issued and completed in "John Doe" fashion to indicate its intended use.
Application	14 VAC 5-100-50 4	Any form, which is to be issued with an attached application, must be filed with a copy of the application completed in "John Doe" fashion to indicate its intended use. (If application was previously approved, advise date of approval).
Type Size	14 VAC 5-100-50 5	Individual Accident and Sickness forms must be printed with type size of at least 10 point type. All other forms must be printed with type size of at least 8 point.
Arbitration	§ 38.2-312	Contract may not deprive courts of Virginia jurisdiction in actions against insurer. Arbitration may not be binding.
Fraud Notice	§ 38.2-316 D 1	Title 38.2 of the Insurance Code does not define "Insurance Fraud." Any notice regarding insurance fraud is in non-compliance with this section of the Code. Variations in a notice warning of consequences of making fraudulent statements are acceptable. The notice may disclose that it does not apply in Virginia or may disclose states where applicable.
Notice of Information Practices	§ 38.2-604 C 3	A right of access and correction exists with respect to all personal information collected.
	§ 38.2-604 C 4	The notice prescribed in § 38.2-604 B will be furnished to the applicant or policyholder upon request.
Authorization	§ 38.2-606 2	Application must be dated.
	§ 38.2-606 3	Specifies the types of persons authorized to disclose information about the individual.
	§ 38.2-606 4	Specifies the nature of the information authorized to be disclosed.
	§ 38.2-606 5	Identifies the insurance institution to whom the individual is authorizing information to be disclosed. This includes the full and proper corporate name of the insurance institution.
	§ 38.2-606 6	Specifies the purposes for which the information is collected.

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	§ 38.2-606 7	Specifies the length of time such authorization shall remain valid. In the case of an authorization signed for the purpose of collecting information in connection with an application, the authorization must remain valid for 30 months from the date the authorization is signed or, in the case of authorizations signed for the purpose of collection information in connection with a claim, the authorization must remain valid for the term of coverage of the policy if the claim is for an accident and sickness insurance benefit or the duration of the claim if the claim is not for an accident and sickness insurance benefit.
	§ 38.2-606 8	Advises the individual or a person authorized to act on behalf of the individual that the individual or the individual's authorized representative is entitled to receive a copy of the authorization form.
Investigative Consumer Reports	§ 38.2-607 1	States that the applicant may request to be interviewed in connection with the preparation of an investigative consumer report.
	§ 38.2-607 2	States that upon a request, pursuant to § 38.2-608, he is entitled to receive a copy of the investigative consumer report.
<b>Disclosure Form</b>		
Multiple Plans	§ 38.2-3735 A	For multiple plans, language similar to the following must be included in the application or disclosure form: THE CREDITOR CERTIFIES THAT HE ( __HAS __HAS NOT ) DISCLOSED TO THE UNDERSIGNED DEBTOR(S) ALL PLANS OF CREDIT INSURANCE FOR WHICH HE MAY BE ELIGIBLE. THE DEBTOR AGREES THAT THE CREDITOR ( __HAS __HAS NOT) MADE AVAILABLE ALL OF THE PLANS OF INSURANCE FOR WHICH ( __I AM __WE ARE) ELIGIBLE.
Net Insurance Offered	§ 38.2-3735 A 1	If a creditor offers a plan of insurance that insures the actual amount of unpaid indebtedness, the creditor shall also offer to the debtor a plan of insurance that insures only the actual amount of indebtedness less any unearned interest or finance charges.
Net/Gross Comparison	§ 38.2-3735 A 2	In the event that a plan of insurance that insures the actual amount of unpaid indebtedness is offered, the creditor shall provide to each debtor a disclosure form which shall clearly disclose the difference in premiums charged for a contract wherein the gross indebtedness is insured versus a contract wherein only the net indebtedness is insured. This disclosure shall include the differences between the amount financed, the monthly payment and the total charge for each type of insurance. The form shall be signed and dated by the debtor and the agent, if any, soliciting the application or the creditor's representative, if any, soliciting the enrollment request. A copy of this disclosure shall be given to the debtor, and a copy shall be made a part of the creditor's loan file.

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Voluntary Purchase	§ 38.2-3735 B	When elective credit insurance is offered, the borrower must be given written disclosure that indicates that purchase of credit insurance is not required and is not a factor in granting credit. The disclosure shall also include notice that the borrower has the right to use alternative coverage or to buy insurance elsewhere.
Cost Comparison	§ 38.2-3735 C	If the debtor is given a contract which includes a single premium payment to be charged for elective credit insurance, the debtor must be given: <ol style="list-style-type: none"> <li>1. A contract which does not include the elective credit insurance premium; or</li> <li>2. A disclosure form that clearly discloses the difference in premiums charged for a contract with credit insurance and one without credit insurance. This disclosure shall include the difference between the amount financed, the monthly payment and the charge for each kind of insurance. The form shall be signed and dated by the debtor and the agent, if any, soliciting the application or the creditor's representative, if any, soliciting the enrollment request. A copy of this disclosure must be given to the debtor and a copy must be made a part of the creditor's loan file.</li> </ol>
Involuntary Purchase	§ 38.2-3735 D	If credit life insurance is required as security for any indebtedness, the debtor shall have the option of (i) furnishing the required amount of insurance through existing policies of insurance owned or controlled by him or (ii) procuring and furnishing the required coverage through any insurer authorized to transact insurance in this Commonwealth. The creditor shall inform the debtor of this option in writing and shall obtain the debtor's signature acknowledging that he understands this option. Nothing contained in this subsection shall be construed to prohibit the creditor from combining such disclosure, in order to avoid redundancy, with other forms of disclosure required under state or federal law.
	§ 38.2-3735 E	For contracts paid in advance or by a single premium, the debtor must be provided at the time of contract with a notice prominently disclosing his rights to a refund or premium in the event the insurance is terminated prior to its scheduled maturity date or the insured indebtedness is terminated or paid off early, and of the obligation of the debtor to provide notification to the insurer under subdivision D 8 of § 38.2-3724. The notice must be signed and dated by the debtor and the agent, if any, soliciting the application or the creditor's representative, if any, soliciting the enrollment request. A copy of the signed notice must be given to the debtor and a copy must be made part of the insurer's file.
	§ 38.2-3735 F	The Commission shall not approve any form unless the policy or certificate is written in non-technical, readily understandable language, using words of common everyday usage. A form shall be deemed acceptable under this section if the insurer certifies that the form achieves a Flesch Readability Score of forty or more, using the Flesch Readability Formula as set forth in Rudolf Flesch, The Art of Readable Writing (1949, as revised 1974), and certifies compliance with the guidelines set forth in this section.

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<b>Standard Form Requirements</b>		
Applications	§ 38.2-3737 A	No contract of insurance upon a debtor shall be made or effectuated unless at the time of the contract, the debtor, being of lawful age and competent to contract for insurance, applies for the insurance in writing on a form approved by the Commission.
	§ 38.2-3737 B 1	The application or enrollment request must contain the name and signature of the agent or creditor's representative, if any, who solicited the application or enrollment request.
	§ 38.2-3737 B 2	The application or enrollment request must contain the name and address of the insurer and creditor; the name and age of the debtor(s); the premium, rate or amount payable by the debtor separately for credit life insurance and credit accident and sickness insurance; the type of insurance coverage provided; the date of application; and separately, the amount and term, including the effective and cancellation dates, of the insurance and loan contracts
	§ 38.2-3737 B 3	The application or enrollment request must include the disclosure requirements set forth in subsections A, B, C, D and E of § 38.2-3735 unless such requirements have been separately disclosed in another form or forms approved by the Commission.
	§ 38.2-3737 C	The application or enrollment request must be separate and apart from the loan or credit transaction papers and refer exclusively to insurance coverage.
	§ 38.2-3737 D	No individual or group credit life insurance application form shall contain a question of general good health unless the application form contains appropriate specific questions concerning the applicant's health history or medical treatment history.
	§ 38.2-3737 E	Neither this section nor subsection B of § 38.2-3735 shall apply to credit life insurance that will insure open-end monthly outstanding balance credit transactions if certain criteria are met.
	§ 38.2-3737 E 1	The credit life insurance that will insure the open-end monthly outstanding balance credit transaction are offered to the debtor after the loan or credit transaction that it will insure has been approved by the creditor and has been effective at least seven days.
	§ 38.2-3737 E 2	Solicitation for the insurance can be made by mail or telephone. The person making the solicitation shall not condition the future use or continuation of the open-end credit upon the purchase of credit life insurance.
	§ 38.2-3737 E 3	The creditor shall make available only one plan of credit life insurance to the debtor.
	§ 38.2-3737 E 4	The debtor is provided written confirmation of the insurance coverage within thirty days of the effective date of such coverage. The effective date of coverage shall begin on the date the solicitation is accepted.

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	§ 38.2-3737 E 5	The individual policy or certificate shall have printed on it a notice stating that if, during a period of at least thirty days from the date that the policy or certificate is delivered to the policyowner or certificate holder, the policy or certificate is surrendered to the insurer or its agent with a written request for cancellation, the policy or certificate shall be void from the beginning and the insurer shall refund any premium paid for the policy or certificate. This statement shall be prominently included on the face page of the policy or certificate, and shall be printed in capital letters and in bold 12 point or larger type.
	§ 38.2 3737 F	The following shall be applicable to open-end credit transactions by mail, telephone, or brochure solicitations, that are not excluded from the requirements of this section and of subsection B of § 38.2-3735 by subsection E, where the insurer is offering only one plan of credit life insurance.
	§ 38.2 3737 F 1 a	Section 38.2-3735 shall not apply to open-end credit transactions, provided that, as part of the application or enrollment request or separately, the name and address of the insurer(s) and creditor is clearly stated.
	§ 38.2 3737 F 1 b	Section 38.2-3735 shall not apply to open-end credit transactions, provided that, as part of the application or enrollment request or separately, it includes a description of the coverage offered, including the amount of coverage, the premium rate for the insurance coverage offered and a description of any exceptions, limitations, or restrictions applicable to such coverage.
	§ 38.2 3737 F 2	<p>Subsections B and D of this section shall not apply to such transactions, provided that the application or enrollment request utilized as part of such transaction:</p> <ol style="list-style-type: none"> <li>a. Is printed in a type size of not less than eight-point type, one point leaded, notwithstanding the requirements set forth in § 38.2-3724 D 5 regarding minimum type size for policies and certificates;</li> <li>b. Contains a prominent statement that the insurance offered is optional, voluntary, or not required;</li> <li>c. Contains no questions relating to insurability other than the debtor's age or date of birth and, if applicable, active employment status; and</li> <li>d. If the disclosures required by subdivision 1 of this subsection are not included in the application or enrollment request, makes reference to such disclosures with sufficient information so as to assist the reader in locating such disclosures within the solicitation.</li> </ol>

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	§ 38.2 3737 F 3	<p>Each insurer proposing to utilize an application or enrollment request in open-end credit transactions shall file such form for approval by the Commission. If the insurer anticipates utilizing such application or enrollment form in more than one solicitation, the insurer shall submit, as part of its filing of such form, a certification signed by an officer of the insurer, stating that any such subsequent use of the application or enrollment form will utilize the same form number and will not vary in substance from the wording and format in which the form is submitted for approval. Upon approval of such application or enrollment form by the Commission, the insurer shall be permitted to utilize such form in various solicitation materials, provided that the application or enrollment form, when incorporated into such solicitation materials, has the same form number and wording substantially identical to that contained on the approved application or enrollment form.</p>
	§ 38.2 3737 G	<p>Notwithstanding the provisions of subsection A, a contract of insurance may be made or effectuated in connection with a credit transaction between a creditor regulated pursuant to Chapter 4.01 (§ 6.1-225.1 et seq.) of Title 6.1 or 12 U.S.C. § 1751 et seq. and a debtor who is of lawful age, competent to contract for the insurance and a member of the creditor if:</p> <ol style="list-style-type: none"> <li>1. The credit transaction and the solicitation for such insurance is effected by mail, telephone or other electronic means;</li> <li>2. The purchase of credit insurance is not required by the creditor and is not a factor in granting the credit;</li> <li>3. The creditor or insurer, within three business days after the credit transaction is effected, transmits to the debtor, either separately or with the documents that pertain to the credit transaction, an application or enrollment request form approved by the Commission which includes or to which is attached a prominent notice that clearly advises the debtor that unless he mails the completed and signed application or enrollment request to the creditor within forty-five days following the date of the credit transaction, all such coverage requested in connection with the credit transaction will be void from the beginning; and</li> <li>4. In the event the debtor does not transmit the completed and signed application or enrollment request to the creditor within the time specified in subdivision 3, the full amount of the premium charged for the insurance is returned to or credited to the account of the debtor and written notice thereof is sent to the debtor within fifteen days of the date the policy or certificate is cancelled.</li> </ol>

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**Access to Administrative Letters, Administrative Orders, Regulations and Laws is available at:**  
<http://www.scc.virginia.gov/boi/laws.aspx>

The Life and Health Division, Forms and Rates Section reviews credit life/accident and sickness application/disclosures. Please contact this section at (804) 371-9110 if you have questions or need additional information about this line of insurance.



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I hereby certify that I have reviewed the attached credit life/accident and sickness application/disclosure filing and determined that it is in compliance with the credit life/accident and sickness application/disclosure checklist.

Signed: \_\_\_\_\_

Name (please print): \_\_\_\_\_

Company Name: \_\_\_\_\_

Date: \_\_\_\_\_ Phone No: ( ) \_\_\_\_\_ FAX No: ( ) \_\_\_\_\_

E-Mail Address: \_\_\_\_\_