

WEST VIRGINIA INFORMATIONAL LETTER  
INSURANCE COMMISSIONER

No. 15  
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WEST VIRGINIA ADMINISTRATIVE REGULATION OF CREDIT LIFE  
AND CREDIT ACCIDENT AND SICKNESS INSURANCE

It has come to the attention of the West Virginia Insurance Commissioner that some uncertainty exists among many insurers in regard to the prima facie reasonable rates of credit life insurance, as set forth in the Administrative Regulations of the Insurance Commissioner, Series 6 (1968), as amended, Sections 6:01 and 6:07. This uncertainty appears to be especially prevalent for insured debtors ages 66-70, but is not restricted to this age group.

Section 6:01 states, in part: "A single premium rate of 65 cents per annum per \$100.00 of decreasing term life insurance. . . shall be deemed prima facie reasonable. . . ." And: "A single premium rate of \$1.00 per annum per \$100.00 of decreasing term joint life insurance . . . shall be deemed prima facie reasonable... ."

Section 6:07 states, in part: "An insurer may receive approval of a higher premium rate to be used, on a credible case, or a class of business . . . if the insurer demonstrates, to the satisfaction of the Commissioner, that the mortality or morbidity experience will or can reasonably be expected to produce a loss ratio of 50% . . . ."

Please be advised that only those premium rates as stated in Section 6:01 of the aforementioned Administrative Regulation are deemed to be prima facie reasonable. The use of any deviated rates, as addressed in Section 6:07 of said Regulation, must receive the formal (written) approval of the Insurance Commissioner prior to use by that particular insurer.

You are hereby notified that the use of premium rates for credit life insurance which do not comply with the Administrative Regulation of the Insurance Commissioner, Series 6 (1968), as amended, may result in disciplinary action.

Address any inquiries to the Rates and Forms Division of the West Virginia Insurance Department.

Richard G. Shaw  
Insurance Commissioner