

VIRGINIA ACTS OF ASSEMBLY -- 2003 SESSION

CHAPTER 930

An Act to amend and reenact §§ 38.2-2102 and 38.2-2107 of the Code of Virginia, relating to fire insurance; terrorism.

[H 2606]

Approved March 23, 2003

Be it enacted by the General Assembly of Virginia:

1. That §§ 38.2-2102 and 38.2-2107 of the Code of Virginia are amended and reenacted as follows:

§ 38.2-2102. Excluding loss or damage caused by nuclear reaction, nuclear radiation, or radioactive contamination.

A. The standard policy of fire insurance prescribed by this chapter shall not cover loss or damage caused by nuclear reaction, nuclear radiation, or radioactive contamination, whether resulting directly or indirectly from a peril insured under the policy. Insurers issuing the standard policy of fire insurance are authorized to affix to the policy or include therein a written statement that the policy does not cover loss or damage caused by nuclear reaction, nuclear radiation, or radioactive contamination, whether resulting directly or indirectly from a peril insured under the policy. However, an endorsement or endorsements specifically assuming coverage for loss or damage caused by nuclear reaction, nuclear radiation, or radioactive contamination may be attached to the standard policy of fire insurance.

B. *Notwithstanding the provisions of § 38.2-2105, for the purposes of commercial property and casualty insurance policies, the standard policy of fire insurance prescribed by this chapter shall not cover loss or damage caused by certified acts of terrorism as defined in the Terrorism Risk Insurance Act (P.L. 107-297) whether resulting directly or indirectly from a peril insured under the policy if the insured has refused coverage offered pursuant to the Terrorism Risk Insurance Act.*

§ 38.2-2107. Commission may establish guidelines for filing readable fire insurance policy forms.

A. The Commission may establish guidelines for the filing of simplified and readable policies of insurance. An insurer may issue a simplified and readable policy of insurance that deviates in language from the standard policy form provided for in §§ 38.2-2104, 38.2-2105 and 38.2-2106 if the deviating policy form is (i) in no respect less favorable to the insured than the standard policy form, and is (ii) approved by the Commission prior to issuance.

B. *Notwithstanding the pro rata liability provision included in § 38.2-2105, such simplified and readable policies may be issued to apply on an excess or primary basis if such provisions are clearly stated in the policy form and the policy is identified in its title or heading as an excess or primary insurance policy.*