

# VIRGINIA ACTS OF ASSEMBLY -- 2013 SESSION

## CHAPTER 27

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

[H 2118]

Approved February 20, 2013

**Be it enacted by the General Assembly of Virginia:**

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

**§ 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.

In addition, each policy of property and casualty insurance shall contain a list of all policy forms and endorsements applicable to that policy, which shall display the respective form numbers and, if those form numbers are not unique identifiers of such forms, the applicable edition dates.

B. Each new or renewal insurance policy, contract, certificate, or evidence of coverage issued to a policyholder, covered person, or enrollee shall be accompanied by a notice stating substantially:

"IMPORTANT INFORMATION REGARDING YOUR INSURANCE"

"In the event you need to contact someone about this insurance for any reason, please contact your agent. If no agent was involved in the sale of this insurance, or if you have additional questions, you may contact the insurance company issuing this insurance 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]."

~~Health maintenance organizations shall add the following: "We recommend that you familiarize yourself with our grievance procedure, and make use of it before taking any other action."~~

"If you have been unable to contact or obtain satisfaction from the company or the agent, you may contact the Virginia State Corporation Commission's 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."

~~Health maintenance organizations shall add the following: "We recommend that you familiarize yourself with our grievance procedure and make use of it before taking any other action."~~

C. In any life insurance or annuity contract containing a beneficiary designation in which the designated beneficiary is the spouse of the policy owner, the following notice shall be included with the policy when issued, either attached to or incorporated into the front or first page of such contract:

"BENEFICIARY DESIGNATION MAY NOT APPLY IN THE EVENT OF ANNULMENT OR DIVORCE"

"Under Virginia law (Virginia Code § 20-111.1), a revocable beneficiary designation in a policy owned by one spouse that names the other spouse as beneficiary becomes void upon the entry of a decree of annulment or divorce, and the death benefit prevented from passing to a former spouse will be paid as if the former spouse had predeceased the decedent. In the event of annulment or divorce proceedings, and if it is the intent of the parties that the beneficiary designation of the former spouse is to continue, you are advised to make certain that one of the following courses of action is taken prior to the entry of a decree of annulment or divorce: (i) change the beneficiary designation to make it irrevocable; (ii) change the ownership of the policy or contract; (iii) execute a separate written agreement stating the intention of both parties that the beneficiary designation is to remain in effect beyond the date of entry of the decree of annulment or divorce; or (iv) make certain that the decree of annulment or divorce contains a provision stating that the beneficiary designation is not to be revoked pursuant to § 20-111.1."

D. 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.

E. This section shall not apply to surety insurance contracts.