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STATE CORPORATION COMMISSION

September 13, 2023

The Honorable James J. Donelon, Chair  
The Honorable Glen Mulready, Vice Chair  
Receivership and Insolvency (E) Task Force  
c/o Jane Koenigsman  
National Association of Insurance Commissioners  
1100 Walnut Street, Suite 1500  
Kansas City, MO 64106

Re: Comments on the Exposure Draft of the Amendments to the Property and Casualty Insurance  
Guaranty Association Model Act (#540)

Dear Commissioners Donelon and Mulready,

The Virginia Bureau of Insurance ("Bureau") appreciates the ability to offer its comments on the exposure draft of the amendments to the Property and Casualty Insurance Guaranty Association Model Act (#540) ("Model 540") released by the Receivership and Insolvency (E) Task Force following its meeting at the NAIC Summer National Meeting in Seattle.

Virginia is one of a number of states that consider "assumed claims" to be "covered claims" under the statutory provisions of the Virginia Property and Casualty Insurance Guaranty Association.<sup>1</sup> The Bureau offers these comments in support of preserving guaranty association protection for policyholders with "assumed claims" under the 2009 amendments to Model 540. The current amendments under consideration go beyond the charge given to the Receivership Law (E) Working Group ("RLWG") by unnecessarily making coverage optional for "assumed claims." RLWG was tasked with amending Model 540 to ensure no loss of guaranty association coverage in Insurance Business Transfer or Corporate Division transactions. The Bureau encourages the Receivership and Insolvency Task Force to not adopt the current amendments to Model 540 with respect to "assumed claims."

Thank you for considering these comments. Please do not hesitate to reach out with any questions.

Sincerely,  
Dan Bumpus  
Senior Counsel  
State Corporation Commission  
*Counsel to the Virginia Bureau of Insurance*

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<sup>1</sup> See § 38.2-1603 of the Code of Virginia.