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## **Insurance Bulletin No. 212**

### **Auto Insurance Rating of Military Personnel Upon Their Return to Vermont**

**March 25, 2020**

The purpose of this bulletin is to clarify the Department of Financial Regulation's position regarding the underwriting of individuals who seek to acquire auto insurance coverage after cancelling or suspending their coverage during a military deployment or overseas assignment.

The Department is aware that at least one insurer is rating such individuals in the same class as those who have a gap in their coverage for reasons unrelated to military deployment or overseas assignment.

The Department considers it an act of unfair discrimination described in 8 V.S.A. § 4724(7), and prohibited by 8 V.S.A. § 4723, for an insurer to charge a higher premium, or to deny coverage, to an individual who has cancelled or suspended their auto insurance coverage during a military deployment or overseas assignment ordered by the United States Armed Forces, United States Armed Forces Reserve, or the National Guard.

When an individual who was subject to a military deployment or overseas assignment, or who accompanied their spouse or domestic partner on an overseas assignment, seeks to renew or reinstate their auto insurance coverage following a gap in coverage during the deployment or overseas assignment, insurers shall rate them in the same class and risk as they would have been rated had they maintained continuous coverage throughout the deployment or overseas assignment.

Additionally, when any question on an application for auto insurance coverage results in an affirmative response from an applicant identifying a lapse in coverage, the insurer must further inquire as to whether such lapse was due to a military deployment or overseas assignment.



March 25, 2020

Page 2 of 2

Auto insurers will be expected to demonstrate compliance with this Bulletin by revising their forms and policies, as necessary, and certifying compliance in all subsequent rate and form filings.

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Michael S. Pieciak, Commissioner

3/25/2020

Date