

Vermont Insurance Division

Department of Banking, Insurance, Securities & Health Care Administration

REGULATION 78-1: Disclosure (Revised 4/95)

May 1, 1979

S 1 Disclosure of diminution of coverage

In the event an insurance company eliminates or modifies coverage, conditions, or definitions in any policy in force or at renewal that results in a diminution of benefits, the company must provide each named insured or policyowner a printed notice summarizing what coverages, conditions or definitions have been eliminated or modified. The notice may be mailed or delivered by the insurer or its authorized representative on or before the time the insured receives the new policy or policy form. This regulation does not apply to changes in an individual insured's policy which have been agreed to in writing or requested by the insured. A group contract policyholder shall be responsible for distributing such notices prepared by the insurer to those insured under the group contract.

S 2 Disclosure of availability of discounts

a. Purpose. It is the purpose of this section to require insurance companies offering personal automobile, personal property and liability coverage to provide notice to insureds on a new and renewal basis that the offering of various discounts by insurance carriers in the Vermont market is commonplace.

b. Every insurance carrier offering new or renewal personal automobile, personal property and liability coverage shall provide notice to the insured by means of a separate free standing page, prominently displayed in the policy package, that discounts are commonly available in the Vermont market. The notice shall be printed in 18 point typeface and shall contain the following wording:

NOTICE OF AVAILABILITY OF DISCOUNTS

The Vermont Insurance Department requires us to notify you that many insurance carriers offer discounts on some or all of their insurance products to qualifying individuals. Discounts are commonly available for senior citizens, for good drivers, for good students, for persons who have completed approved driver education courses, for combined policies, for smoke alarms, for anti-lock braking systems, for multi-car policies and for individuals who have had no recent history of loss. You should inquire of your agent, broker or your insurance company representative about discounts for which you may be eligible.

The offering of a discount may not result in lower costs. You should always compare prices and coverage to make sure you are comparing similar products.

S 3 Effective date

This regulation shall take effect on May 1, 1979.