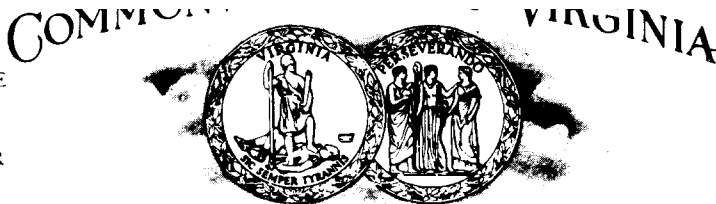


STEVEN T. FOSTER
COMMISSIONER OF INSURANCE

THOMAS S. NARDO
FIRST DEPUTY COMMISSIONER



Box 1157
RICHMOND, VA 23209
TELEPHONE (804) 786-37

STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

March 13, 1987

Administrative Letter 1987-4

MEMORANDUM

TO: All Reciprocal Insurers Licensed in Virginia

RE: Appointment of the Clerk of the Commission as Agent for Service of Process

It has come to our attention that certain reciprocal insurers are not in compliance with Virginia Code Section 38.2-1216. Effective July 1, 1986, Section 38.2-1216 supplanted Section 38.1-700, which had required appointment of the Secretary of the Commonwealth for service of process by every reciprocal insurer licensed to do business in Virginia. All licensed reciprocal insurers must now appoint the Clerk of the State Corporation Commission as agent for service of process.

Providing for transition, Section 38.2-1216 states in pertinent part:

Any domestic, foreign or alien reciprocal that, on July 1, 1986, has appointed the Secretary of the Commonwealth as its agent for service of process shall comply with the requirements of this section within six months of July 1, 1986.

By December 31, 1986, therefore, every licensed reciprocal insurer should have filed a properly executed power-of-attorney appointing the Clerk of the State Corporation Commission as its agent.

The SCC/Bureau of Insurance is enclosing copies of two versions of its power-of-attorney form: one for corporations, the other for individuals. The appropriate form should be executed by the attorney-in-fact of every licensed reciprocal insurer which has not as yet appointed the Clerk of the Commission as its agent pursuant to Section 38.2-1216. No later than April 30, 1987, three copies of the form with original signatures and properly executed should be received by the SCC/Bureau of Insurance at the following address:

Company Licensing and Regulatory Compliance
SCC/Bureau of Insurance
Box 1157
Richmond, VA 23209

Sincerely,

Steven T. Foster
Commissioner of Insurance

STF:AWG/fah

Enclosures

POWER OF ATTORNEY

For appointment of Agent by a Reciprocal Doing Business in
Virginia under Chapter 12, Title 38.2 of the Code of Virginia.

KNOW ALL MEN BY THESE PRESENTS:

That the subscribers of the _____, a reciprocal organized and existing under the laws of _____ by their duly authorized attorney-in-fact, acting under and pursuant to the provisions of Section 38.2-1216 of the Code of Virginia, have agreed and by these presents do agree that upon and after the issuance, by the State Corporation Commission, of a license permitting the reciprocal to transact business in the Commonwealth of Virginia, any action or suit against the reciprocal, its subscribers or their attorney-in-fact, arising out of or on account of any policy, contract or agreement for insurance in the reciprocal, may be brought in the city or county in which the cause of action arises or the claimant resides.

And the subscribers of the _____ by their duly authorized attorney-in-fact, have further made, constituted and appointed, and by these presents do make, constitute and appoint the Clerk of the State Corporation Commission and his successor or successors in office, to be their true and lawful agent and attorney-in-fact for the period of their license upon whom all legal process against the reciprocal, its subscribers or their attorney-in-fact, in all actions or suits arising out of or on account of policies, contracts or agreements of insurance in the reciprocal, may be served, which service shall be valid and binding upon all subscribers exchanging at any time reciprocal insurance contracts through the attorney-in-fact whose name is affixed hereto, or his duly appointed successor.

IN WITNESS WHEREOF, _____, incorporated under the laws of _____, the duly authorized attorney-in-fact of the _____ acting for the subscribers of the reciprocal, has executed this power of attorney in duplicate, by affixing hereto the name or designation of the reciprocal and his own name as attorney-in-fact, this _____ day of _____, 19____.

(Attorney-in-Fact)

Corporate Seal

(Name)

(Title)

Attested By: _____
(Name)

SCC/BOI:RE1

be by the president, with the corporate seal attached and attested by the secretary).

STATE OF _____

CITY (OR COUNTY) OF _____

I, _____, a Notary Public in and for the city (or county) aforesaid, hereby certify that _____ and _____, whose names as President and Secretary are signed to the foregoing power of attorney have acknowledged the same before me in my city (or county) aforesaid.

Given under my hand and official seal this _____ day of _____, 19____.

(Notary Public)

My Commission expires _____.

Notary Seal

POWER OF ATTORNEY

For appointment of Agent by a Reciprocal Doing Business in
Virginia under Chapter 12, Title 38.2 of the Code of Virginia.

KNOW ALL MEN BY THESE PRESENTS:

That the subscribers of the _____, a reciprocal organized and existing under the laws of _____ by their duly authorized attorney-in-fact, acting under and pursuant to the provisions of Section 38.2-1216 of the Code of Virginia, have agreed and by these presents do agree that upon and after the issuance, by the State Corporation Commission, of a license permitting the reciprocal to transact business in the Commonwealth of Virginia, any action or suit against the reciprocal, its subscribers or their attorney-in-fact, arising out of or on account of any policy, contract or agreement for insurance in the reciprocal, may be brought in the city or county in which the cause of action arises or the claimant resides.

And the subscribers of the _____ by their duly authorized attorney-in-fact, have further made, constituted and appointed, and by these presents do make, constitute and appoint the Clerk of the State Corporation Commission and his successor or successors in office, to be their true and lawful agent and attorney-in-fact for the period of their license upon whom all legal process against the reciprocal, its subscribers or their attorney-in-fact, in all actions or suits arising out of or on account of policies, contacts or agreements of insurance in the reciprocal, may be served, which service shall be valid and binding upon all subscribers exchanging at any time reciprocal insurance contracts through the attorney-in-fact whose name is affixed hereto, or his duly appointed successor.

IN WITNESS WHEREOF, _____,
the duly authorized attorney-in-fact of the _____
acting for the subscribers of the reciprocal, has executed this power
of attorney in duplicate, by affixing hereto the name or designation
of the reciprocal and its own name as attorney-in-fact, this _____
day of _____, 19____.

(Attorney-in-Fact)