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STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

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Administrative Letter 1980-6

TO: All Companies Licensed to Write
Homeowners Insurance in Virginia

In addition to the damage to property caused by fire and smoke, there is significant loss of life resulting from these perils each year. Much of this damage and loss of life could be reduced if smoke detectors were placed in all new and existing residences. While a number of states have adopted building codes requiring smoke detectors in all new construction, few, if any, have seen fit to require smoke detectors in existing residences.

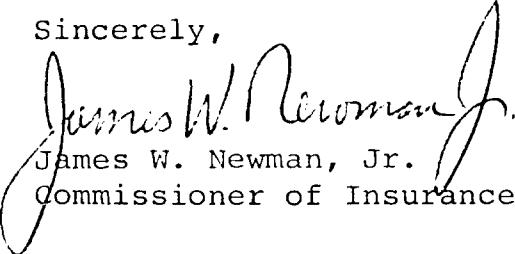
Some insurers have concluded that homes protected by smoke detectors are deserving of a reduced homeowners insurance rate. This may prove to be an effective means to encourage the installation of smoke detectors in older homes.

The purpose of this letter is to encourage those insurers that have not yet investigated the loss reducing potential of smoke detectors to do so and to file rate adjustments accordingly.

I would appreciate hearing from any company that has investigated this matter, whether or not a rate adjustment has been filed. In particular, I would appreciate receiving any information regarding the experience of those companies who have filed rate reductions for the installation of smoke detectors.

I appreciate your careful review of this matter.

Sincerely,


James W. Newman, Jr.
Commissioner of Insurance

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