

August 11, 1998

Dear Ms. _____ :

I write in response to your letter of July 1, 1998 to Commissioner Bias.

Our office does not interpret WV Code 46A-3-109a as an abrogation of the rights of creditors other than those described therein to place insurance on collateral securing a loan when the debtor has failed to maintain such insurance.

A company such as _____, Inc. may continue to place collateral protection insurance under WV Code 46A-3-109. However, our office strongly encourages all lenders to give debtors clear and immediate notice of the placement of such insurance. You are urged to adopt the suggested "Notice of Placement of Insurance" language contained in WV Code 46A-3-109a(c)(1).

I hope this letter answers your concerns. If you need any further information, please feel free to contact me.

Sincerely,

Robert J. Lamont
General Counsel