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**STATE CORPORATION COMMISSION
BUREAU OF INSURANCE**

May 24, 2006

Administrative Letter 2006-08

To: All Licensed Property and Casualty Insurers and Rate Service Organizations

Re: Method of Implementation No Longer Required to be Stated in Filings; Withdrawal of Administrative Letter 2005-02

Administrative Letter 2005-02 was issued to address certain regulatory procedures and requirements pertaining to how insurers implement filings. One of the changes was the elimination of the requirement that insurers implement filings based on the policy effective date. This change was intended to allow insurers and rate service organizations the option of selecting other methods of implementation (such as *policies written* on and after a specified date, *policies issued* on and after a specified date, etc.) for their filings. The letter also explained that it was acceptable for insurers to continue using the policy effective date method.

Since the Bureau of Insurance (Bureau) expected many filers to choose a method of implementation other than *policies effective*, Administrative Letter 2005-02 required filers to state the selected method of implementation either in the cover letter or within the transmittal documents that accompany the filing. However, after further consideration, the Bureau has determined that insurers should not be required to provide a statement in the filing declaring the method of implementation that the company has selected for the filing. Effective immediately, the following requirements apply:

- Each filing must include the effective date that the company will use for implementation of the materials in the filing.
- The method of implementation selected by the insurer must be applied consistently within each company named in the filing.
- The effective date and method of implementation must comply at all times with all of the provisions of Title 38.2 of the Code of Virginia.

As was permitted in Administrative Letter 2005-02, insurers will continue to be allowed to file rules that allow the company to calculate premiums for a new exposure or coverage using the rates that are in effect at the time that the new exposure or coverage is being added to the policy.

This position is in keeping with the Bureau's and the National Association of Insurance Commissioners' speed-to-market initiatives.

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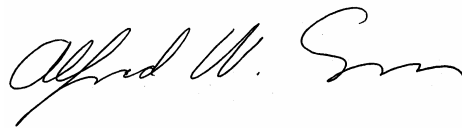
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Further, none of the provisions of this letter apply to workers' compensation filings. Filers should refer to Administrative Letter 2005-03 for information regarding workers' compensation filings.

Administrative Letter 2005-02, which established a filing requirement that is no longer applicable, is hereby withdrawn.

Questions pertaining to Administrative Letter 2006-08 should be directed to the Property and Casualty Division's Rates and Forms Sections at (804) 371-9965 (Personal Lines) and (804) 371-9298 (Commercial Lines).

Cordially,

A handwritten signature in black ink, appearing to read "Alfred W. Gross". The signature is fluid and cursive, with the first name "Alfred" being the most prominent.

Alfred W. Gross
Commissioner of Insurance

AWG/jgs