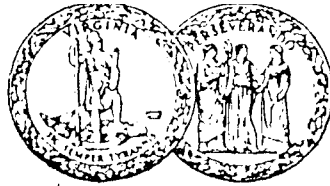


JOHN G. DAY
COMMISSIONER OF INSURANCE

JAMES W. NEWMAN
DEPUTY COMMISSIONER OF INSURANCE



BOX 1157
RICHMOND, VA. 2
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STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

1977-12

May 23, 1977

CO.:

TO : THE PRESIDENT OF THE INSURER ADDRESSED

RE : AUTOMOBILE RATING TERRITORIES

Records of this office indicate that your Company has adopted Insurance Services Office Reference Document PP-77-RA-1 or PP-77-RA-PD-1, which included a revision of certain automobile rating Territories.

Specifically, the problem involves the Cities of Colonial Heights, Hopewell, and Petersburg, and that portion of Chesterfield County not included in Richmond Territory, which were changed from Territory 19, and included in Richmond Territory 03, primarily at higher rates.

At the request of this office, and others, I.S.O. reviewed the experience involved in the change indicated above, and ascertained that such a change was in error, and has now submitted Reference Documents PP-77-RA-3 and PP-77-RA-PD-3, removing the subject areas from Richmond Territory 03, to new Territory 26, primarily at rates lower than Territory 03. I presume that the Company will be adopting such Reference Document, in order to provide appropriate rates for the future.

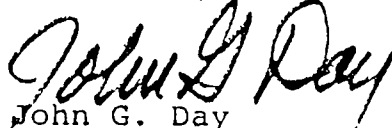
However, it is possible that your Company has renewed policyholders, or has written new risks at the primarily increased rates of Territory 03. Because such rates were established through error, I do not feel that policyholders should be required to pay such primarily increased rates.

Considering the foregoing, your Company should review its motor vehicle policies written, or to be written, until your Company's adoption of the new Reference Document becomes effective, covering the risks which were improperly included in Territory 03, appropriately adjust the premiums charged, or to be charged, for such policies, and advise this office when all such premium adjustments have been accomplished.

May 23, 1977
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Thank you for your assistance in correcting this inequity.

Very truly yours,


John G. Day
Commissioner of Insurance

JGD/wjs