

COMMONWEALTH OF VIRGINIA



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STATE CORPORATION COMMISSION BUREAU OF INSURANCE

May 25, 1988

ADMINISTRATIVE LETTER 1988-8

TO: All Companies Licensed to Write Commercial Liability Insurance

RE: Report of Certain Liability Claims Required by Virginia Code Section 38.2-2228.1

Administrative Letter 1988-2, outlining the data reporting requirements of Virginia Code Section 38.2-2228.1, enacted by the 1987 General Assembly, was mailed to all appropriate companies on January 26, 1988. This letter is to provide additional information regarding the data reports and to advise of amendatory legislation passed by the 1988 General Assembly.

Exemption of Certain Carriers

The 1988 General Assembly provided that the State Corporation Commission (SCC) may exempt an insurer or insurers from any or all of the required reporting provisions. The General Assembly further provided that for the purposes of this data report, "insurer" shall mean an individual insurer or a group of insurers under common ownership or control but shall not include mutual assessment insurers operating under the provisions of Virginia Code Section 38.2-2500.

As a result of these amendments, insurers with 1987 written premiums of \$100,000, or less, for "Other Liability" and "Medical Professional Liability" combined (lines 17 and 11 respectively of page 14 of the Annual Statement) are considered exempt from the data reporting requirements. An insurance group may complete a combined report for all companies under common ownership or control. The report should clearly indicate it is a group report and the group NAIC number must be shown. In addition, the name and NAIC number of each company included must be indicated. Further, mutual assessment insurers are exempt from any of the data reporting requirements.

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Reporting Instructions

CLAIMS MADE COVERAGE VS. OCCURRENCE COVERAGE - Claims made coverage and occurrence coverage data shall be reported by separate reports. In addition, tail coverage and basic coverage for claims made data should each be identified on a separate report. Each report shall clearly indicate what type of coverage is reported.

TYPE OF DATA - BODILY INJURY, PROPERTY DAMAGE, MEDICAL PAYMENTS - All types of data should be combined to provide one report for each market definition.

DEDUCTIBLE INSURANCE - All data applicable for deductible liability insurance should be included with data for non-deductible insurance and must not be reported separately.

EXHIBIT 7, Commercial Contracting, has been expanded to include simplified CSP class codes that were not previously provided and some of the non-simplified classes have been amended. The revised exhibit is attached.

Insurers are reminded that the data reports are due by September 1, 1988. Companies and statistical agents should contact Jan Fatouros (804) 786-4418 at the State Corporation Commission for details regarding the computerized transmission of the report. Actuarial questions may be addressed to our consulting actuary at the following address:

Dennis R. Henry, FCAS, MAAA
Huggins Financial Services
229 S. 18th Street
Philadelphia, Pennsylvania 19103
(215) 875-2837

Sincerely,



Steven T. Foster
Commissioner

STF:dw
Attachment

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
17140		Air Conditioning, Heating, or Refrigeration Systems or Combined Heating and Air Conditioning Systems - installation, servicing and repair - including shop and retail stores or display rooms	Payroll
		§ Code 17140 includes "Gas Appliances or Equipment - household type - installation, servicing or repair"	
	91111	Air Conditioning Systems or Equipment - Dealers or distributors and installation, servicing or repair	Payroll
	95647	Heating or Combined Heating and Air Conditioning System or Equipment - dealers or distributors and installation, servicing or repair - no liquified petroleum gas (LPG) equipment sales or work	Payroll
	95648	Heating or Combined Heating and Air Conditioning Systems or Equipment - dealers or distributors and installation, servicing or repair - Not Otherwise Classified	Payroll
16135		Airport Runway or Warming Apron Construction, Paving or Repaving	Payroll
	91125	Airport Runway or Warming Apron - paving or repaving, surfacing, resurfacing or scraping	Payroll
76992		Boiler Inspecting or Scaling	Payroll
17145		Boiler Installation or Repair - steam	Payroll
		§ Code 17145 also includes "Tank Erection or Repair - metal - within buildings exclusively"	

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	91250	Boiler Inspection, Installation, Cleaning or Repair	Payroll
	99572	Tank Construction, Installation, Erection or Repair - metal - not pressurized - within buildings exclusively	Payroll
	99573	Tank Construction, Installation, Erection or Repair - metal - pressurized - within buildings exclusively	Payroll
16275		Bridge or Elevated Highway Construction	Payroll
		Ø Code 16275 also includes "Iron or Steel Erection - bridges"	
	91265	Bridge or Elevated Highway Construction - iron or steel	Payroll
	91266	Bridge or Elevated Highway Construction - concrete	Payroll
17835		Building Equipment Installation, Erection, Servicing or Repair - Not Otherwise Classified	Payroll
17885		Building or Structure Raising, Moving or Underpinning - including incidental shoring	Payroll
		Ø Code 17885 includes "Salvage Operations" and "Underpinning Buildings or Structures"	
	91280	Building Structure - raising or moving	Payroll
	98698	Salvage Operations - Not Otherwise Classified	Payroll
	99803	Underpinning Buildings or Structures	Payroll
17314		Cable Installation in Conduits or Subways	Payroll

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	91302	Cable Installation in Conduits or Subways	Payroll
17805	Ø	Caisson Work - foundations for buildings Ø Code 17805 includes "Pile Driving - building foundation only"	Payroll
	91324	Caisson or Cofferdam Work - foundations for buildings	Payroll
	98413	Pile Driving - Building foundation only	Payroll
16235	Ø	Caisson Work - not foundations for buildings Ø Code 16235 also includes "Cofferdam Work," "Shaft Sinking" and "Tunneling"	Payroll
	91325	Caisson or Cofferdam work - not foundations for buildings	Payroll
	98871	Shaft Sinking	Payroll
	99798	Tunneling	Payroll
17535	Ø	Carpentry - Not Otherwise Classified Ø Code 17535 also includes "Ceiling or Wall Installation - not plastering", "Modular Units - building erection", "Prefabricated Building Erection"	Payroll
	91342	Carpentry - Not Otherwise Classified	Payroll
	98502	Prefabricated Building Erection	Payroll
17621		Ceiling or Wall Installation - metal	Payroll
	91436	Ceiling or Wall Installation - metal	Payroll

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
17745		Cement, Concrete or Granolithic Floor Construction, Finishing or Surfacing	Payroll
		Ø Code 17745 also includes "Concrete Construction - Not Otherwise Classified"	
	91560	Concrete Construction	Payroll
17425		Chimney Construction	Payroll
		Ø Code 17425 also includes "Masonry - Not Otherwise Classified"	
	91481	Chimney Cleaning	Payroll
	97447	Masonry	Payroll
17965		Cleaning or Renovating - outside Surfaces of Buildings	Payroll
	91522	Cleaning or Renovating - outside Surfaces of Buildings	Payroll
17741		Concrete Block Construction - buildings	Payroll
17745		Concrete Construction - Not Otherwise Classified	Payroll
	91560	Concrete Construction	Payroll
16285		Conduit Construction	Payroll
	91577	Conduit Construction for Cables or Wires	Payroll
73912		Contractors Equipment Rented to Others - cranes, derricks, power shovels and equipment incidental thereto - rented to others with operators - including installation, repair or removal	Receipts

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	11201	Contractors' Equipment - cranes, derricks, power shovels and equipment incidental thereto - rented to others with operators	Gross Sales
73917		Contractors Equipment Rented to Others - cranes, derricks, power shovels and equipment incidental thereto - rented to others without operators - including installation, repair or removal	Receipts
	11202	Contractors' Equipment - cranes, derricks, power shovels and equipment incidental thereto - rented to others without operators	Gross Sales
17861		Contractors Equipment Rented to Others - earth moving equipment other than cranes, derricks and power shovels - rented to others with operators - including installation, repair or removal	Receipts
	11205	Contractors' Equipment - earth moving equipment other than cranes, derricks and power shovels - rented to others with operators	Gross Sales
17875Ø		Contractors Equipment Rented to Others - hod or material platform hoists and equipment incidental thereto - rented to others with operators - excluding installation, repair or removal	Payroll
		Ø Code 17875 also includes "Contractors - hod or material platform hoists, etc. - operation by Contractors" and "Hoists: Contractors - hod or material platform hoists and equipment incidental thereto - rented to others with operators - excluding installation, repair or removal"	

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	11209	Contractors' Equipment - hod or material platform hoists and equipment incidental thereto - rented to others with operators	Gross Sales
73914		Contractors Equipment Rented to Others - hod or material platform hoists and equipment incidental thereto - rented to others without operators - excluding installation, repair or removal	Receipts
	11210	Contractors' Equipment - hod or material platform hoists and equipment incidental thereto - rented to others without operators	Gross Sales
73915Ø		Contractors Equipment Rented to Others - ladders, scaffolds, scaffolding, sidewalk bridges, towers and equipment incidental thereto - rented to others - excluding installation, repair or removal Ø Code 73915 also includes "Scaffolds, Scaffolding, Ladders, Sidewalk Bridges, etc. - rented to others - excluding installation, repair or removal"	Receipts
	11211	Contractors' Equipment - ladders, scaffolds, scaffolding, sidewalk bridges, towers and equipment incidental thereto - rented to others	Gross Sales
73916		Contractors Equipment Rented to Others - steam boilers, compressors, air pressure tanks, pneumatic tools and equipment incidental thereto - rented to others with operators - including installation, repair or removal	Receipts

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	11213	Contractors' Equipment - steam boilers, compressors, air pressure tanks, pneumatic tools and equipment incidental thereto - rented to others with operators	Gross Sales
73911		Contractors Equipment Rented to Others - excluding automobiles - Not Otherwise Classified - rented to others with operators - including installation, removal or repair	Receipts
	11207	Contractors' Equipment - excluding automobiles - rented to others with operators - Not Otherwise Classified	Gross Sales
73913		Contractors Equipment Rented to Others - excluding automobiles - Not Otherwise Classified - rented to others without operators - including installation, repair or removal	Receipts
	11206	Contractor's Equipment - earth moving equipment other than cranes, derricks and power shovels - rented to others without operators	Gross Sales
	11208	Contractors' Equipment - rented to others without operators - Not Otherwise Classified	Gross Sales
42264		Contractors Permanent Yards - maintenance or storage of equipment or material	Payroll
	91590	Contractors Permanent Yards - maintenance or storage of equipment or material	Payroll
59991Ø		Contractors Equipment Dealers - ladders or hoists - excluding scaffolds or towers	Receipts

Ø Code 59991 also includes:
 "Contractors Equipment Dealers - ladders or hoists - including scaffolds or towers"

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	11203	Contractors' Equipment Dealers - ladders - excluding hoists, scaffolds or towers	Gross Sales
	11204	Contractors' Equipment Dealers - ladders, hoists, scaffolds or towers	Gross Sales
	11212	Contractors' Equipment - steam boilers, compressors, air pressure tanks, pneumatic tools and equipment incidental thereto - rented to others with operators	Gross Sales
	11214	Contractors' Equipment - steam boilers, compressors, air pressure tanks, pneumatic tools and equipment incidental thereto - rented to others without operators	Gross Sales
17755Ø		Core Drilling - Not Otherwise Classified	Payroll
		Ø Code 17755 also includes: "Drilling - Not Otherwise Classified"	
	92101	Drilling - Not Otherwise Classified	Payroll
	92102	Drilling - Water	Payroll
16232		Dam or Reservoir Construction	Payroll
	91618	Dam or Reservoir Construction	Payroll
16295Ø		Dike or Revetment Construction - river work only	Payroll
		Ø Code 16295 also includes: "Jetty or Breakwater Construction" and "Levee Construction"	
	91641	Dike, Levee or Revetment Construction	Payroll

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	11213	Contractors' Equipment - steam boilers, compressors, air pressure tanks, pneumatic tools and equipment incidental thereto - rented to others with operators	Gross Sales
73911		Contractors Equipment Rented to Others - excluding automobiles - Not Otherwise Classified - rented to others with operators - including installation, removal or repair	Receipts
	11207	Contractors' Equipment - excluding automobiles - rented to others with operators - Not Otherwise Classified	Gross Sales
73913		Contractors Equipment Rented to Others - excluding automobiles - Not Otherwise Classified - rented to others without operators - including installation, repair or removal	Receipts
	11206	Contractor's Equipment - earth moving equipment other than cranes, derricks and power shovels - rented to others without operators	Gross Sales
	11208	Contractors' Equipment - rented to others without operators - Not Otherwise Classified	Gross Sales
42264		Contractors Permanent Yards - maintenance or storage of equipment or material	Payroll
	91590	Contractors Permanent Yards - maintenance or storage of equipment or material.	Payroll
599910		Contractors Equipment Dealers - ladders or hoists - excluding scaffolds or towers	Receipts
		Ø Code 59991 also includes: "Contractors Equipment Dealers - ladders or hoists - including scaffolds or towers"	

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	96872	Jetty or Breakwater Construction	Payroll
17511		Door, Window or Assembled Millwork Erection - metal or metal covered	Payroll
	91746	Door, Window or Assembled Millwork - installation - metal	Payroll
16293		Dredging - except gold dredging	Payroll
	92055	Dredging - Not Otherwise Classified	Payroll
16144		Driveway, Parking Area or Sidewalk Construction, Paving or Repaving	Payroll
	92215	Driveway, Parking Area or Sidewalk - paving or repaving	Payroll
17946		Dry Wall or Wallboard Installation	Payroll
	92338	Dry Wall or Wallboard Installation	Payroll
16242		Electric Light or Power Line Construction - Rural Electrification Administration Projects only	Payroll
	92447	Electric Light or Power Line Construction - Rural Electrification Administration Projects only	Payroll
16245Ø		Electric Light or Power Line Construction - Not Otherwise Classified	Payroll
		Ø Code 16245 also includes: "Telephone, Telegraph or Fire Alarm Line Construction"	
	92446	Electric Light or Power Line Construction - Not Otherwise Classified	Payroll

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	99613	Telephone, Telegraph or Cable Television Line Construction	Payroll
17315		Electrical Wiring - within buildings - including installation or repair of fixtures or appliances	Payroll
	91127	Alarm and Alarm Systems - installation, servicing or repair	Payroll
	92451	Electrical Apparatus - installation, servicing or repair - Not Otherwise Classified	Payroll
	92478	Electrical Work - within building	Payroll
17845		Elevator, Escalator or moving Sidewalk Installation, Service or Repair	Payroll
	92593	Elevator or Escalator Inspecting, Installation, Servicing or Repair	Payroll
15111		Excavation - Not Otherwise Classified	Payroll
	94007	Excavation	Payroll
73420		Exterminators including Pest Control - excluding the use of gas	Receipts
	43470	Exterminators	Gross Sales
17985		Fence Erection - metal	Payroll
	94276	Fence Erection Contractors	Payroll

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
15161		Fireproofing - structures	Payroll
		Ø Code 15161 also includes "Insulation Work - installation or application of acoustical or thermal insulating materials in buildings or within building walls - Not Otherwise Classified"	
	94404	Fireproofing - structures	Payroll
	96408	Insulation Work - plastic - Not Otherwise Classified	Payroll
	96409	Insulation Work - organic or plastic in solid state	Payroll
	96410	Insulation Work - mineral	Payroll
49531		Garbage, Ashes or Refuse Collecting	Payroll
		Ø Code 49531 also includes: "Street Cleaning - including snow removal from street and highways"	
	95233	Garbage, Ash or Refuse Collecting	Payroll
	99303	Street Cleaning	Payroll
16225		Gas, Sewer, Steam or Water Mains or Connections Construction - including tunneling at street crossings	Payroll
	95310	Gas Mains or Connections Construction	Payroll
	98820	Sewer Mains or Connections Construction	Payroll
	99163	Steam Mains or Connections Construction	Payroll
	99946	Water Main or Connections Construction	Payroll

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
07313		Grading of Land - Not Otherwise Classified	Payroll
	95410	Grading of Land	Payroll
17765		Iron or Steel Erection - frame structures, iron work on outside of buildings including erecting or repairing balconies, fire escapes, railings, staircases, coal chutes or fireproof shutters	Payroll
	97651	Metal erection - frame structures - iron work on outside of buildings	Payroll
15121		Iron or Steel Erection in the construction of dwellings not exceeding two stories in height	Payroll
	97652	Metal Erection - in the construction of dwellings not exceeding two stories in height	Payroll
15122		Iron or Steel Erection - steel lock gates, gas holders, standpipes, water towers, smoke stacks, tanks, silos, prison cells or fire or burglar proof vaults	Payroll
	97654	Metal Erection - steel lock gates, gas holders, standpipes, water tower, smokestacks, tanks, silos, prison cells, fire or burglar proof vaults	Payroll
15125		Iron or Steel Erection - Not Otherwise Classified	Payroll
	97655	Metal Erection - structural - Not Otherwise Classified	Payroll
16255		Irrigation or Drainage System Construction - including pile driving or dredging	Payroll
	96702	Irrigation or Drainage System Construction	Payroll

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
15142		Military Reservation Construction - Carpentry	Payroll
17762		Military Reservation Construction - iron or steel erection - not over two stories in height	Payroll
16365	Ø	Oil or Gas Pipe Construction - including pile driving and dredging	Payroll
		Ø Code 16365 also includes "Pipe Line Construction - including pile driving or dredging"	
	98423	Pipeline Construction - gas	Payroll
	98424	Pipeline Construction - Not Otherwise Classified	Payroll
	98425	Pipeline Construction - Oil	Payroll
	98426	Pipeline Construction - slurry - nonflammable mixtures	Payroll
17235	C	Painting - oil or gasoline tanks - including shop operations	Payroll
		Ø Code 17235 also includes "Painting, Decorating or Paper Hanging - Not Otherwise Classified - including shop operations", "Paperhanging" and "Sign Painting or Lettering - on buildings or structures - including operations"	
	98304	Painting - exterior - buildings or structures - three stories or less in height - Not Otherwise Classified	Payroll
	98305	Painting - interior buildings or structures	Payroll
	98306	Painting - Oil or gasoline tanks	Payroll
	98344	Paperhanging	Payroll
	99004	Sign Painting or Lettering on Buildings or Structures	Payroll

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
17215		Painting - ship hulls	Payroll
	98307	Painting - ship hulls	Payroll
17225		Painting - steel structures or bridges	Payroll
	98303	Painting - exterior - buildings or structures - exceeding three stories in height - Not Otherwise Classified	Payroll
17805		Pile Driving - building foundations only	Payroll
	98413	Pile Driving - building foundations only	Payroll
16296		Pile Driving - sonic method	Payroll
	98415	Pile Driving - sonic method	Payroll
16294		Pile Driving - including timber wharf building - Not Otherwise Classified	Payroll
	98414	Pile Driving - Not Otherwise Classified	Payroll
17185		Plumbing - Not Otherwise Classified	Payroll
	98482	Plumbing - commercial and industrial	Payroll
	98483	Plumbing - residential or domestic	Payroll
	99080	Solar Energy Contractors	Payroll
	99948	Water Softening Equipment - installation, servicing or repair	Payroll
	98636	Refrigeration Systems or Equipment - dealers and distributors and installation, servicing or repair - commercial	Payroll
17625		Roofing - all kinds - including yard employees	Payroll

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
	98677	Roofing - commercial	Payroll
	98678	Roofing - residential	Payroll
	98705	Sandblasting	Payroll
17615Ø		Sheet Metal Work Erection Installation or Repair - Not Otherwise Classified	Payroll
		Ø Code 17615 also includes "Siding Installation - not wood"	
73122		Sign Erection or Repair - not outdoor advertizing companies - including shop operations	Payroll
	98884	Sheet Metal Work - shop and outside	Payroll
	98967	Siding Installation	Payroll
	98993	Sign Erection, Installation or Repair	Payroll
17141		Steam Pipe or Boiler Insulation	Payroll
	99165	Steam Pipe or Boiler Insulation	Payroll
16115		Street or Road Construction or Reconstruction	Payroll
	99315	Street or Road Construction or Reconstruction	Payroll
16125		Street or Road Paving or Repaving, Surfacing or Resurfacing or Scraping	Payroll
	99321	Street or Road Paving or Repaving, Surfacing or Resurfacing or Scraping	Payroll
16205		Subway Construction	Payroll
	99445	Subway Construction	Payroll

COMMERCIAL CONTRACTING LIABILITY

<u>Class Code</u>		<u>Description</u>	<u>Exposure Base</u>
<u>Old</u>	<u>New</u>		
17802		Swimming Pools - below ground - installation, service or repair	Payroll
	99507	Swimming Pools - installation, servicing or repair - below ground	Payroll
17906		Swimming Pools - above ground - installation, service or repair	Payroll
	99506	Swimming Pools - above ground - installation, service or repair	Payroll
	99570	Tank Construction, Installation, Erection or Repair - metal - not pressurized - Not Otherwise Classified	Payroll
	99571	Tank Construction, Installation, Erection or Repair - metal - pressurized - Not Otherwise Classified	Payroll
17821		Wrecking - marine - including salvage operations	Payroll
	99988	Wrecking - marine	Payroll
17822		Wrecking Buildings or Structures - not marine - Not Otherwise Classified	Payroll
	99986	Wrecking - buildings or structures - Not Otherwise Classified	Payroll