



BUREAU OF INSURANCE

October 16, 1998

Administrative Letter 1998-14

TO: Rate Service Organizations and All Companies Licensed to Write Motor Vehicle Insurance in Virginia

RE: Point Assignments or Increases in Automobile Insurance Premiums Due to Accidents or Convictions

This administrative letter is a clarification of the Bureau's position with regard to point assignments or premium increases under safe driver insurance plans.

Pursuant to subsection C of § 38.2-1905 of the Code of Virginia, any assignment of points under a safe driver insurance plan, whether applicable to *commercial or private passenger* vehicles, may not be applied to a vehicle other than the vehicle customarily driven by the operator responsible for incurring the points. This provision applies to the assignment of points for accidents *and convictions*.

Furthermore, pursuant to subsection A of § 38.2-1905, no insurer may charge points or increase the insured's premium under a *commercial or private passenger* automobile policy due to an *accident* if the operator causing the accident is a principal operator insured under a separate policy.

Insurers using safe driver insurance plans for commercial automobile policies should review their current filings and procedures to verify that they are in compliance with § 38.2-1905. Commercial automobile rules that cannot be applied in compliance with § 38.2-1905 should be withdrawn immediately.

Sincerely,

Alfred W. Gross
Commissioner of Insurance