

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

AT RICHMOND, NOVEMBER 3, 1999
ADMINISTRATIVE ORDER NO: 11348

**ORDER SUSPENDING THE REQUIREMENT OF FILING CERTAIN RULES
AND RATES FOR BUSINESS CREDIT INSURANCE UNDER THE
PROVISIONS OF § 38.2-1903 OF THE CODE OF VIRGINIA.**

WHEREAS, it appearing to the Commissioner of Insurance that the requirement of filing rules and rates for writing Business Credit Insurance should be suspended, pursuant to the provisions of § 38.2-1903 of the Code of Virginia, because such rules and rates cannot practicably be filed before they are used by an insurer. For the purposes of this order, Business Credit Insurance is defined as any commercial insurance contract issued to manufacturers, wholesalers or service organizations insuring accounts receivable against default by a commercial entity on payment for goods shipped or services rendered. Business Credit Insurance includes both domestic and foreign business credit transactions between two commercial entities but does not include insurance coverage for personal credit transactions between an individual consumer and a bank, lending institution, or other personal financing arrangement.

IT IS, THEREFORE, ORDERED, that the requirement of filing manuals of classifications, rules, rates, rating plans and rating schedules for writing Business Credit Insurance in this state, as provided in Chapter 19 of Title 38.2 of the Code of Virginia, is hereby suspended under the provisions of § 38.2-1903, by the entry of this Order, until further notice of the Commissioner, for the reason that requirement to file manuals of classifications, rules, rates and rating plans is not appropriate for insuring these risks due to their inherently diverse nature and because they involve a substantial area of exposure for which pre-filed rates cannot practicably be established.

IT IS FUTHER ORDERED, that the rules and rates affected by this order and hereafter used by insurers shall not be excessive, inadequate or unfairly discriminatory, and the Commission hereby reserves the right, either upon its own motion or upon complaint, to make such examination or investigation with respect thereto as it may deem advisable or necessary in order to determine whether any rates affected by such suspension may be, or may become, excessive, inadequate or unfairly discriminatory.

AN ATTESTED COPY HEREOF shall be sent to all licensed rate service organizations, to Mary M. Bannister, Deputy Commissioner of Insurance, and all insurance companies which are affected thereby.

Joel M. Peck

Clerk of the State Corporation Commission