

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

AT RICHMOND, July 14, 2005
ADMINISTRATIVE ORDER NO. 11708

PRIVATE PASSENGER AUTOMOBILE INSURANCE

ESTABLISHMENT OF STANDARD FORMS OF POLICIES, RIDERS, ENDORSEMENTS, AND OTHER SPECIAL OR SUPPLEMENTAL AGREEMENTS AND PROVISIONS FOR USE BY ALL INSURANCE COMPANIES IN INSURING (1) AGAINST LOSS OR DAMAGE RESULTING FROM ACCIDENT TO, OR INJURY SUFFERED BY, ANY PERSON, AND FOR WHICH THE PERSON INSURED IS LIABLE, (2) AGAINST LOSS BY LIABILITY FOR DAMAGE TO PROPERTY RESULTING FROM THE OWNERSHIP, MAINTENANCE OR USE OF ANY MOTOR VEHICLE, AND (3) AGAINST LOSS OF OR DAMAGE TO ANY MOTOR VEHICLE OWNED BY THE INSURED, PURSUANT TO THE PROVISIONS OF SECTIONS 38.2-2218 TO 38.2-2223, INCLUSIVE, OF THE CODE OF VIRGINIA.

WHEREAS, Pursuant to the provisions of Sections 38.2-2218 to 38.2-2223, inclusive, of the Code of Virginia, certain forms of policies, riders, endorsements, and other special or supplemental agreements and provisions for use by all insurance companies in insuring (1) against loss or damage resulting from accident to, or injury suffered by, any person, and for which the person insured is liable, (2) against loss by liability for damage to property resulting from the ownership, maintenance or use of any motor vehicle, and (3) against loss of or damage to any motor vehicle owned by the insured have been established;

AND IT APPEARING to the Commissioner of Insurance that a statutory change enacted effective July 1, 2005, necessitated a change to standard form endorsements;

IT IS, THEREFORE, ORDERED, That the following endorsements for use in connection with the Family Automobile Policy standard form, be, and hereby are, filed by the State Corporation Commission, Bureau of Insurance, in its office at Richmond, Virginia:

E139b (7-1-05) Named Non-Owner Coverage

E140b (7-1-05) Miscellaneous Type Vehicle Endorsement

E141b (7-1-05) Snowmobile Endorsement

IT IS FURTHER ORDERED, That, except as hereinafter provided, the new endorsements shall become the standard forms thereof for use by all insurance companies using the Family Automobile Forms applicable to all policies effective on and after July 1, 2005, and thereafter no insurance company shall use any forms covering substantially the same agreements provided for by such forms for use with the Family Automobile Forms, unless they are in the precise language of the standard forms.

IT IS FURTHER ORDERED, That if there is objection to the provisions of the proposed standard forms the objection must be filed in writing within twenty days from the date upon which this Order is entered. If written objection is filed, such forms shall not become standard as provided herein and proceedings in reference thereto shall be instituted.

IT IS FURTHER ORDERED, That the Bureau of Insurance shall immediately notify all parties to whom attested copies of this Order are directed, in writing, upon receipt of an objection from any insurance company as to the provisions of any proposed standard form.

IT IS FURTHER ORDERED, That for the word "company" appearing in any standard form, there may be substituted a more accurate descriptive term for the type of insurer.

IT IS FURTHER ORDERED, That there being, in the opinion of the Commissioner, no further necessity for the continuance of the following endorsements, they are withdrawn for policies effective on and after July 1, 2005:

E139a (7-1-91) Named Non-Owner Coverage

E140a (7-1-91) Miscellaneous Type Vehicle Endorsement

E141a (7-1-91) Snowmobile Endorsement

IT IS FURTHER ORDERED, That attested copies of this Order be sent to all licensed rate service organizations, Mary M. Bannister, Deputy Commissioner of Insurance and all companies which are affected thereby.

SUMMARY OF CHANGES – ADMINISTRATIVE ORDER 11708

Introduction

The Family Automobile Policy Program is a legal language standard form. The changes outlined below are applicable to only the Family Automobile Policy Program.

Content of Administrative Order 11708

The changes contemplated in Administrative Order 11708 pertain to the following legal language private passenger automobile standard forms:

- Form E139b (7-1-05) Named Non-Owner Coverage Form replaces form E139a (7-1-91) Named Non-Owner Coverage Form
- Form E140b (7-1-05) Miscellaneous Type Vehicle Endorsement replaces form E140a (7-1-91) Miscellaneous Type Vehicle Endorsement
- Form E141b (7-1-05) Snowmobile Endorsement replaces form E141a (7-1-91) Snowmobile Endorsement

for all policies effective on and after July 1, 2005

Purpose

The changes to these forms involve the last paragraph of the “Persons Insured” provision under Part I – Liability:

These changes were made in compliance with Senate Bill 1260. This bill amended the provisions of Virginia Code § 38.2-2204 to provide that when one accident or occurrence involves more than one defendant who is covered by the policy, the plaintiff may recover the per person limit of the policy against each such defendant, subject to the per accident or occurrence limit of the policy.

AUTOMOBILE

NAMED NON-OWNER COVERAGE

This coverage is subject to all the provisions of the policy with respect to individuals and coverages indicated in the declarations except as modified below:

A. Definitions:

When used in this endorsement:

“owned automobile” means a private passenger, farm or utility automobile, ownership of which is acquired by the named insured during the policy period, provided the named insured notifies the company within 30 days after the date of acquisition, but this insurance does not apply if other insurance applies to the named insured with respect to the newly acquired automobile.

[B. Part I, Liability]²

The definition of “Persons Insured” as used in Part I, Liability, is replaced by the following:

“Persons Insured” means:

- (a) the named insured or any other individual named in the declarations for the maintenance or use of any automobile or trailer,
- (b) any other person using an owned automobile with the permission of the named insured provided his or her actual operation or (if he or she is not operating) the other actual use thereof is within the scope of such permission, and
- (c) for any automobile or trailer, other than the owned automobile, any person or organization but only with respect to legal responsibility for acts or omissions of the named insured or any individual listed in the declarations for whom coverage is afforded under this Part. This provision applies only if the person or organization does not own or hire the automobile or trailer.

The insurance afforded under Part I applies separately to each insured against whom claim is made or suit is brought, but the inclusion herein of more than one insured shall not operate to increase the “each occurrence” limit of the company’s liability.

[C. Part II, Medical Expense and Income Loss Benefits]²

The definition of “injured person” is deleted and replaced by the following:

“injured person” means

- (a) the named insured or any other individual named in the declarations, while occupying or as a pedestrian when struck by a motor vehicle.
- (b) any other person while occupying an insured motor vehicle.

[D. Part IV, Protection Against Uninsured Motorists]²

1. The definition of Insured as used in Part IV, Protection Against Uninsured Motorists, is replaced by the following:

“Insured” means:

- (a) the named insured or any other individual listed in the declarations,
- (b) any other person while occupying an insured automobile,
- (c) any person, with respect to damages he or she is entitled to recover because of bodily injury to which this coverage applies sustained by a person described in (a) or (b) above.

2. The definition of “uninsured automobile” as used in Part IV, Protection Against Uninsured Motorists, is replaced by the following:

“uninsured automobile” means a land motor vehicle or trailer of any type:

- (a) to which there is no bodily injury liability bond or policy applicable at the time of the accident or to which there is, in at least the amounts specified by the financial responsibility law of the state in which the insured resides, no bodily injury liability bond or insurance policy applicable at the time of the accident with respect to any person or organization legally responsible for the use of such automobile, or with respect to which there is a bodily injury liability bond or insurance policy applicable at the time of the accident but the company writing the same denies coverage thereunder or is or becomes insolvent;
- (b) which is a hit-and-run vehicle whose owner or operator cannot be identified and which hits: (1) the named insured or any other individual named in the declarations; (2) an automobile which the named insured or any other individual named in the declarations is occupying; or (3) the owned automobile.

Notes:

1. The use of a schedule and arrangement of the matter in brackets are optional with the company provided that the substance of the matter is included either in a different form or schedule or elsewhere in the policy, using appropriate connective language.
2. Matter in brackets may be omitted at the option of the company.

AUTOMOBILE

MISCELLANEOUS TYPE VEHICLE ENDORSEMENT

This coverage is subject to all of the provisions of the policy with respect to the miscellaneous type vehicles and coverages described in the declarations, except as modified below:

A. Definitions

For the purpose of the coverage provided by this endorsement:

“miscellaneous type vehicle” means:

- (a) a motorcycle, motorhome, golf cart or other similar type vehicle; or
- (b) a private passenger automobile owned jointly by two or more resident relatives other than husband and wife.

“owned automobile” means:

- (a) any miscellaneous type vehicle described in the declarations for which a specific premium charge indicates that coverage is afforded.
- (b) any miscellaneous type vehicle of the same type described in the declarations or a private passenger, farm or utility automobile ownership of which is acquired by the named insured during the policy period, provided:
 - (1) it replaces an owned automobile as defined in (a) above, or
 - (2) the company insures all miscellaneous type vehicles, private passenger, farm or utility automobiles owned by the named insured on the date of such acquisition and the named insured notifies the company within 30 days after the date of such acquisition of his or her election to make this and no other policy issued by the company applicable to such automobile or vehicle.
- (c) any trailer.
- (d) any miscellaneous type vehicle or automobile while temporarily used with the permission of the owner as a substitute for the owned automobile or trailer when withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction.

[B. Part I, Liability]¹

1. For the purposes of this endorsement, references to the term “non-owned automobile” in Part I, Liability are deleted.
2. The provision entitled “Persons Insured” as used in Part I, Liability is replaced by the following:

“Persons Insured”

The following are insureds, under Part I:

- (a) the named insured,
- (b) any other person using the owned automobile with the permission of the named insured provided his or her actual operation or (if he or she is not operating) his or her other actual use thereof is within the scope of such permission, and
- (c) any other person or organization but only with respect to his, her or its liability because of acts or omissions of an insured under (a) or (b) above.

The insurance afforded under Part I applies separately to each insured against whom claim is made or suit is brought, but the inclusion herein of more than one insured shall not operate to increase the “each occurrence” limit of the company’s liability.

3. Exclusion [()]² under Part I, Liability is newly added:

[()]² to the ownership, maintenance or use of a motorized vehicle having less than 4 wheels other than a motorized vehicle having less than 4 wheels which is insured for Liability coverage under this endorsement.

[C. Part II, Medical Expense and Income Loss Benefits]¹

Exclusion [()]² under Part II, Medical Expense and Income Loss Benefits is newly added:

[()]² sustained while occupying a motorized vehicle having less than 4 wheels other than a motorized vehicle having less than 4 wheels which is insured for Medical Expense and Income Loss Benefits under this endorsement.

[D. Part III, Physical Damage]¹

For the purposes of this endorsement, references to the term “non-owned automobile” in Part III, Physical Damage are deleted and the definition of “owned automobile” is replaced by the following:

“owned automobile” means:

- (a) any miscellaneous type vehicle or trailer described in the declarations for which a specific premium charge indicates that coverage is afforded.
- (b) any miscellaneous type vehicle of the same type described in the declarations, a trailer, or a private passenger, farm or utility automobile ownership of which is acquired by the named insured during the policy period, provided:
 - (1) it replaces an owned automobile as defined in (a) above, or the company insures all miscellaneous type vehicles, trailers, private passenger, farm or utility automobiles owned by the named insured on the date of such acquisition, and
 - (2) the named insured notifies the company within 30 days after the date of such acquisition of his or her election to make this and no other policy issued by the company applicable to such automobile, vehicle or trailer.

Notes:

- 1. Matter in brackets may be deleted if the policy does not afford such coverage.
- 2. Matter in brackets may be completed by the appropriate reference at the option of the company.
- 3. The use of a schedule is optional with the company.

AUTOMOBILE

SNOWMOBILE ENDORSEMENT

This coverage is subject to all the provisions of the policy with respect to the snowmobiles and coverages described in the declarations except as modified below:

A. Definitions

For the purpose of the coverage provided by this endorsement:

The term "automobile" is replaced by the term "snowmobile" except for Protection Against Uninsured Motorists Coverage. In Protection Against Uninsured Motorists Coverage, the term uninsured automobile includes a snowmobile.

"snowmobile" means a land motor vehicle which is designed for use mainly off public roads on snow or ice or a trailer designed for being towed by, but not for transporting, such vehicle and as to which locomotion or propulsion is solely by means of wheels, crawler-type treads, belts or similar mechanical devices; but does not include any vehicle which is propelled by airplane type propellers or fans.

The term "owned automobile" is replaced by the term "owned snowmobile".

"owned snowmobile" means:

- (a) a snowmobile described in the declarations for which a specific premium charge indicates that coverage is afforded.
- (b) a snowmobile the ownership of which is acquired by the named insured during the policy period, provided:
 - (1) it replaces an owned snowmobile as defined in (a) above, or
 - (2) the company insures all snowmobiles owned by the named insured on the date of such acquisition, and the named insured notifies the company within 30 days after the date of such acquisition of his or her election to make this and no other policy issued by the company applicable to such snowmobile.
- (c) a temporary substitute snowmobile.

The term "non-owned automobile" is replaced by the term "non-owned snowmobile".

"non-owned snowmobile" means a snowmobile not owned by or furnished for the regular use of either the named insured or any relative, other than a temporary substitute snowmobile.

The term “temporary substitute automobile” is replaced by the term “temporary substitute snowmobile”.

“**temporary substitute snowmobile**” means a snowmobile not owned by the named insured or any resident of the same household while temporarily used with the permission of the owner as a substitute for the owned snowmobile when withdrawn from normal use because of its breakdown, repair, servicing, loss or destruction.

[B. Part I, Liability]³

1. Persons Insured

The following are insureds under Part I:

- (a) with respect to the owned snowmobile,
 - (1) the named insured and any resident of the same household,
 - (2) any other person using the owned snowmobile with the permission of the named insured, provided his or her actual operation or (if he or she is not operating) his or her actual use thereof is within the scope of such permission, and
 - (3) any other person or organization but only with respect to his, her or its liability because of acts or omissions of an insured under (a) (1) or (2) above;
- (b) with respect to a non-owned snowmobile,
 - (1) the named insured,
 - (2) any relative, provided his or her actual operation or (if he or she is not operating) the other actual use thereof is with the permission, or reasonably believed to be with the permission, of the owner and is within the scope of such permission, and
 - (3) any other person or organization not owning or hiring the snowmobile, but only with respect to his, her or its liability because of acts or omissions of an insured under (b) (1) or (2) above.

The insurance afforded under Part I applies separately to each insured against whom claim is made or suit is brought, but the inclusion herein of more than one insured shall not operate to increase the “each occurrence” limit of the company’s liability.

2. Exclusions

The following exclusions are added:

[(k)]² to any snowmobile while rented or leased to any person or organization other than the named insured;

[(l)]² to any snowmobile while being operated in, or while in practice or preparation for, any racing or speed contest regardless of whether such contest is prearranged or organized.

3. Other Insurance

The Other Insurance provision of Part I, Liability is replaced by the following:

If the insured has other insurance against a loss covered by Part I of this policy, this insurance shall be excess over any other valid and collectible insurance.

[C. Part II, Medical Expense and Income Loss Benefits]³

1. The definition of “motor vehicle” is deleted and replaced by the following:

“**motor vehicle**” means a self-propelled land motor vehicle or trailer other than (1) a farm type tractor or other self-propelled equipment designed for use principally off public roads, while not upon public roads, (2) a vehicle operated on rails or crawler-treads with the exception of snowmobiles, or (3) a vehicle located for use as a residence or premises;

2. Exclusions

The following exclusions are added:

[(g)]² sustained while operating or occupying any snowmobile while rented or leased to any person or organization other than the named insured.

[(h)]² sustained while a snowmobile is being operated in, or while in practice or preparation for, any racing or speed contest regardless of whether such contest is prearranged or organized.

3. For the purposes of this endorsement, the following condition is added to Part II, Medical Expense and Income Loss Benefits:

Other Insurance

If there is other medical expense and income loss benefits insurance against a loss covered by Part II of this policy, this insurance shall be excess over any other valid and collectible medical expense and income loss benefits insurance.

[D. Part III, Physical Damage]³

1. For the purposes of this endorsement, the definition of “owned automobile” in Part III, Physical Damage is replaced by the following:

“**owned snowmobile**” means:

- (a) a snowmobile described in the declarations for which a specific premium charge indicates that coverage is afforded.
 - (b) a snowmobile the ownership of which is acquired by the named insured during the policy period, provided:
 - (1) it replaces an owned snowmobile as defined in (a) above, or the company insures all snowmobiles owned by the named insured on the date of such acquisition, and
 - (2) the named insured notifies the company within 30 days after the date of such acquisition of his or her election to make this and no other policy issued by the policy applicable to such snowmobile.
2. The following Exclusions under Part III, Physical Damage, are added:

[(i)]² to any snowmobile while rented or leased to any person or organization other than the named insured.

[(j)]² to any snowmobile while being operated in, or while in practice or preparation for, any racing or speed contest regardless of whether such contest is prearranged or organized.

[E. Part IV, Protection Against Uninsured Motorists]³

Any coverage afforded by the policy for protection against uninsured motorists is amended as follows:

1. [Provision (b)]² of the definition of “insured automobile” is replaced by the following:
 - [(b)]² a snowmobile, the ownership of which is acquired by the named insured during the policy period, provided
 - (1) it replaces an insured snowmobile as defined in [(a)]² above, or
 - (2) the company insures under this coverage all snowmobiles owned by the named insured on the date of such acquisition and the named insured notifies the company within 30 days after the date of such acquisition of his or her election to make the [Liability and Uninsured Motorists]² Coverages under this and no other policy issued by the company applicable to such snowmobile.
2. [Provision (b)(4)]² of the definition of “uninsured automobile” is replaced by the following:
 - [(4)]² a land motor vehicle or trailer if operated on rails or crawler-treads, except a snowmobile, or while located for use as a residence or premises and not as a vehicle, or
3. For the purpose of the coverage provided, [Provision (b)(5)]² of the definition of “uninsured automobile”, is deleted.

Notes:

1. The use of a schedule is optional with the company.
2. Matter in brackets may be replaced by appropriate reference at the option of the company.
3. Matter in brackets may be deleted if the policy does not afford such coverage.