

**VIRGINIA PROPERTY AND CASUALTY
FILING GUIDELINES HANDBOOK
Updated February, 2009**

The Virginia State Corporation Commission Bureau of Insurance has developed this Filing Guidelines Handbook for Property and Casualty Rules, Rates, and Forms to assist insurers in preparing and submitting filings. Virginia filing checklists, which should serve to expedite the approval and acknowledgement of such filings, are available on the Bureau's website.

This handbook contains both general and specific filing requirements for property and casualty rules, rates, and forms; however, it is not all-inclusive. Virginia administrative letters and administrative orders should also be carefully reviewed, along with the relevant provisions of Title 38.2 of the Code of Virginia and Title 14 of the Virginia Administrative Code. From time to time, additional administrative orders, administrative letters, and regulations may be issued dealing with specific situations as they arise. Administrative letters related to rule, rate, and form filings are listed in [Exhibit I](#) of this handbook. Administrative orders exempting certain policy forms, endorsements, rates and rules from filing requirements are listed in [Exhibit II](#). All administrative letters and administrative orders, along with Virginia statutes and regulations, are available on the Bureau's website.

This handbook includes numerous hyperlinks to assist filers in locating the specific statutes, administrative letters, administrative orders, and regulations that form the basis for the requirements outlined in the handbook. Filers may subscribe to a service on the Bureau's website that will advise them by e-mail whenever a new administrative letter or administrative order is added. In addition, the Bureau's website includes a link to Virginia's NAIC Product Locator Modules at <https://external-apps.naic.org/prl/do/search/home>.

Any questions or comments regarding this handbook should be addressed in writing to:

State Corporation Commission
Bureau of Insurance
Property and Casualty Division
Rates and Forms Section
P. O. Box 1157
Richmond, Virginia 23218

Or by calling:

(804) 371-9298

Table of Contents

| | | |
|-------------|---|-----------|
| I. | GENERAL FILING REQUIREMENTS FOR RULES, RATES AND FORMS | 1 |
| A. | SUBMISSION OF FILINGS | 1 |
| B. | FILINGS MUST BE SUBMITTED BY LINE OR PROGRAM OF INSURANCE..... | 1 |
| C. | COVER LETTER, COPIES, GROUP FILINGS, AND RETURN ENVELOPES (PAPER FILINGS) | 1 |
| D. | FORMS LISTS..... | 1 |
| E. | REPLACED OR WITHDRAWN MATERIALS | 1 |
| F. | CONTACT INFORMATION | 1 |
| G. | EFFECTIVE DATE REQUESTS..... | 1 |
| H. | INFORMATIONAL FILINGS NOT ACCEPTED | 2 |
| I. | INDIVIDUAL RISK SUBMISSIONS NOT ACCEPTED..... | 2 |
| J. | THIRD-PARTY FILERS | 2 |
| K. | NAIC NUMBERS REQUIRED | 2 |
| L. | VIRGINIA FILING CHECKLISTS | 2 |
| M. | NAIC INSURANCE PRODUCT REQUIREMENTS LOCATOR | 2 |
| II. | FILING REQUIREMENTS FOR RULES AND RATES | 3 |
| A. | FILE AND USE FILINGS - CHAPTER 19 (38.2-1900 ET SEQ.) OF TITLE 38.2 | 3 |
| B. | FILE AND USE RATE/RULE FILINGS - RATE STANDARDS CERTIFICATION FORM COF-1 | 3 |
| C. | DELAYED-EFFECT RATE FILINGS - § 38.2-1912 OF THE CODE OF VIRGINIA | 4 |
| D. | PRIOR-APPROVAL RATE FILINGS - CHAPTER 20 (§ 38.2-2000 ET SEQ.) OF TITLE 38.2 | 4 |
| E. | BIRTH INJURY FUND CREDITS - CHAPTER 50 (§ 38.2-5000 ET SEQ.) OF TITLE 38.2 | 4 |
| F. | EXCESS RATES FOR SPECIFIC RISKS..... | 4 |
| G. | RATE SERVICE ORGANIZATIONS (RSOS) – RULE FILINGS..... | 5 |
| H. | DELAY OR NON-ADOPTION OF RATE SERVICE ORGANIZATION’S FILINGS (OTHER THAN WORKERS’ COMPENSATION) | 5 |
| I. | DELAY OR NON-ADOPTION OF NATIONAL COUNSEL OF COMPENSATION INSURANCE (NCCI) FILINGS (WORKERS COMPENSATION) | 5 |
| J. | LOSS COSTS MULTIPLIERS, ADOPTION, NON-ADOPTION, AND MODIFICATION FILINGS - OTHER THAN WORKERS' COMPENSATION..... | 5 |
| K. | LOSS COSTS MULTIPLIER FILINGS AND RULE FILINGS - WORKERS’ COMPENSATION..... | 5 |
| L. | WORKERS’ COMPENSATION DEDUCTIBLE PLANS | 6 |
| M. | WORKERS’ COMPENSATION DRUG-FREE WORKPLACE PREMIUM CREDITS | 6 |
| N. | WORKERS’ COMPENSATION WAIVER OF RIGHT TO SUBROGATION RULES | 6 |
| O. | CLAIMS-MADE RATES | 6 |
| P. | CREDIT PROPERTY INSURANCE AND CREDIT INVOLUNTARY UNEMPLOYMENT INSURANCE (IUI) .. | 7 |
| Q. | 36-MONTH EXPERIENCE PERIOD FOR ACCIDENTS DOES NOT APPLY TO COMMERCIAL AUTO POLICIES | 7 |
| R. | COMPETITIVE PRICING FORMS VA CP-12 AND VA CP-20 (NO LONGER REQUIRED)..... | 7 |
| S. | INTERPOLATION RULE FORMULAS..... | 7 |
| T. | INSTALLMENT PAYMENT PLANS, OTHER FEES CHARGED BY INSURERS | 7 |
| U. | RANGES OF RATES PROHIBITED..... | 8 |
| V. | REFER TO COMPANY REFERENCES AS SUBSTITUTES FOR RATES | 8 |
| W. | ENDORSEMENT RULES AND CROSS REFERENCE RULES..... | 8 |
| X. | TIERED PRICING PLANS | 8 |
| Y. | CREDIT SCORING USED IN RATING OR TIERING (PERSONAL LINES)..... | 9 |
| Z. | CREDIT REPORT SCORING (COMMERCIAL LINES OTHER THAN WORKERS’ COMPENSATION)..... | 9 |
| AA. | CREDIT REPORT SCORING (WORKERS’ COMPENSATION) | 9 |
| BB. | RATING PLANS – OTHER THAN WORKERS’ COMPENSATION | 9 |
| CC. | FACULTATIVE REINSURANCE..... | 9 |
| DD. | WAIVER OF PREMIUM RULES | 10 |
| EE. | RULES AND RATES EXEMPT FROM FILING REQUIREMENTS | 10 |
| III. | FILING REQUIREMENTS FOR POLICY FORMS AND ENDORSEMENTS | 11 |
| A. | CHANGE ENDORSEMENTS, NOTICES, DECLARATIONS..... | 11 |
| B. | APPLICATIONS..... | 12 |
| C. | RATE SERVICE ORGANIZATIONS (RSOS) | 12 |
| D. | INDEPENDENT FORM FILINGS..... | 13 |
| E. | PROPERTY INSURANCE FORM FILINGS..... | 13 |

| | | |
|------------|--|-----------|
| F. | AUTOMOBILE (MOTOR VEHICLE) INSURANCE FORM FILINGS | 14 |
| G. | CREDIT PROPERTY INSURANCE AND CREDIT INVOLUNTARY UNEMPLOYMENT INSURANCE (IUI)/CREDIT DISCLOSURE FORMS | 16 |
| H. | UNINSURED BOATERS INSURANCE (MANDATORY OFFER OF COVERAGE)..... | 16 |
| I. | LIABILITY INSURANCE FORM FILINGS | 16 |
| J. | MISCELLANEOUS CASUALTY INSURANCE | 18 |
| K. | BINDING ARBITRATION AND APPRAISAL PROHIBITED..... | 18 |
| L. | FRAUD NOTICES | 18 |
| M. | FORMS EXEMPTED FROM FILING REQUIREMENTS BY ADMINISTRATIVE ORDER..... | 19 |
| IV. | SIGNIFICANT STATUTORY REFERENCES IN TITLE 38.2 OF THE CODE OF VIRGINIA FOR RULE, RATE, AND FORM FILINGS | 20 |
| V. | STATISTICAL AGENT REPORT FORM | 21 |
| VI. | INDEX OF EXHIBITS..... | 22 |
| | ADMINISTRATIVE LETTERS..... | 23 |
| | ADMINISTRATIVE ORDERS..... | 25 |
| | WORKERS' COMPENSATION LARGE DEDUCTIBLE PLANS FILING INSTRUCTIONS | 27 |
| | PRIVATE PASSENGER AUTOMOBILE STANDARD FORMS | 29 |

I. GENERAL FILING REQUIREMENTS FOR RULES, RATES AND FORMS

A. Submission of Filings

The Bureau encourages the submission of filings through SERFF. However, both paper and electronic submissions are accepted. The information provided throughout this handbook is applicable to both SERFF and paper filings. The SERFF system contains a section that includes Virginia state requirements, and also has interactive copies of various forms that are required to be submitted when making a filing. Contact the NAIC Help Desk, or see the NAIC SERFF website, for technical assistance or additional information.

B. Filings Must be Submitted by Line or Program of Insurance

Filings (other than installment payment plans, and retrospective and composite rating plans) must be submitted separately for each line or program of insurance.

C. Cover Letter, Copies, Group Filings, and Return Envelopes (Paper Filings)

All paper filings must include a cover letter on the company's or third-party filer's letterhead, or a completed NAIC transmittal form. Paper filings must also include a complete copy of the filing for each company to which the filing applies, and Group filings must be sorted and collated by company. These requirements also apply to response mail and re-submissions. All paper filings must include an extra copy of the cover letter for acknowledgment and a self-addressed, postage-paid return envelope.

D. Forms Lists

Forms lists are no longer required or accepted, except for private passenger auto filings.

E. Replaced or Withdrawn Materials

All filings that include forms or manual pages or exception pages must specify any currently filed forms or pages that are being replaced or withdrawn.

F. Contact Information

The review of a filing can often be expedited if the filer includes a telephone number, fax number, and/or e-mail address.

G. Effective Date Requests

Administrative Letter [2006-08](#) requires that each filing include the effective date that the insurer will use for implementation of the materials in the filing. The method of implementation selected by the insurer must be applied consistently by each company named in the filing. The effective date and method of implementation must comply at all times with all of the provisions of Title 38.2 of the Code of Virginia.

However, implementation of filings applicable to workers' compensation insurance policies must always be based upon "policies effective" on or after the date specified.

"File and use" submissions will be accepted for implementation on or after the later of the requested effective date or the date received by the Bureau. "Prior approval" submissions will be accepted for implementation on or after the later of the requested effective date or the end of the statutory waiting period.

Once a filing (SERFF or paper) has been acknowledged, any further changes to the effective date must be received on or before the acknowledged effective date. A change to the effective date of a closed SERFF filing may be accomplished with a SERFF "note to reviewer" requesting a revised effective date.

H. Informational Filings Not Accepted

The Bureau does not accept, and will reject, any filing submitted on an informational basis.

I. Individual Risk Submissions Not Accepted

The Bureau does not accept, and will reject, form or rate filings for policies issued to a specific risk. Refer to the instructions under Section II to apply for an excess rate for a specific risk.

J. Third-Party Filers

Third-party filers are not required to submit authorization from the insurance company granting the filer authority to submit a filing.

K. NAIC Numbers Required

Administrative Letter [1983-7](#) requires that every rule, rate, and/or form filing state in the cover letter or the NAIC or SERFF transmittal form the individual NAIC number of each company for which the filing is being submitted.

L. Virginia Filing Checklists

Virginia filing checklists are available in SERFF or on the Bureau's web site and are

divided to indicate the rates and forms section (personal lines, commercial multi-lines, or commercial casualty) responsible for reviewing the specified line of insurance or insurance product. Use of the checklists is optional; however, a careful review of the listed requirements will almost certainly result in improved turnaround times and fewer disapproved filings.

Each checklist includes a list of items or information required for every filing, as well as links to the requirements applicable to the particular line of insurance or insurance product being submitted.

M. NAIC Insurance Product Requirements Locator

Virginia product requirements may be accessed from the Bureau's website. [These requirement locators](#) are periodically updated to provide the latest information regarding filing requirements.

II. FILING REQUIREMENTS FOR RULES AND RATES

Rule and rate filings are generally accepted on a “file-and-use” basis and should be implemented on the later of the date received by the Bureau or the effective date requested by the filer. Unless amendments or corrections are needed, such submissions will usually be reviewed and acknowledged as filed within 30 days or less.

If any corrections are necessary prior to acceptance, they will be requested upon completion of the review. The expected response date will be specified in the correspondence. Lack of a response may result in a request to withdraw the filing. The submission can be returned if the requested corrections are not received within a reasonable period of time.

If a paper filing is returned and corrections are subsequently provided within one year, only the corrected items are required to be submitted, since the rejected materials will be retained in our files for one year. SERFF filings may be reopened for further consideration via a “note to reviewer”. The reopened filing schedules must clearly indicate which materials are being added, replaced or withdrawn.

Resubmissions and requests to reopen submissions should be directed to the attention of the examiner who returned the filing. Paper resubmissions must cite the Bureau’s filing identification number (“BOI Number”). A new implementation date must be proposed that is the later of the date the resubmission is received by the Bureau or the effective date requested by the filer.

A. File and Use Filings - Chapter 19 (38.2-1900 et seq.) of Title 38.2

Chapter 19 of Title 38.2 of the Code of Virginia governs the regulation of rates and supplemental rate information for lines of insurance where competition is deemed to be an effective regulator of rates (“file and use” regulation). Rates subject to “file and use” statutes may be used on or after the date they are received by the Bureau or the implementation date requested by the filer, whichever is later.

Note that filings that include independent rates or supplementary rate information for workers’ compensation insurance (rates and/or rating rules that deviate from the approved NCCI loss costs or supplementary rating information) are subject to the 60-day delayed-effect provisions of Virginia Code § [38.2-1912](#) pursuant to § [38.2-1906 E](#).

B. File and Use Rate/Rule Filings - Rate Standards Certification Form COF-1

Administrative Letter [2005-01](#) requires that rule and rate filings include a rate standards certification form. Form COF-1, which is attached to the administrative letter, is used to certify that rules and rates regulated under Chapter 19 are in compliance with the standards set forth in subsections A and B of § [38.2-1904](#).

When submitting a COF-1 form, review the form closely to ensure that all items are completed, block 1, 2 or 3 has been checked, and the form has been signed by a qualified individual.

An interactive PDF version of the COF-1 (05/05) is available in SERFF and on the Bureau’s website.

C. Delayed-Effect Rate Filings - § 38.2-1912 of the Code of Virginia

Currently only independent workers' compensation rates or rating rules that deviate from, or do not rely upon, NCCI loss costs or supplementary rate information are subject to the delayed-effect provisions of § [38.2-1912](#) of the Code of Virginia.

Other classes of insurance may be added in the future by Commission order, should it be determined that competition is not an effective regulator of rates for such classes.

D. Prior-Approval Rate Filings - Chapter 20 (§ 38.2-2000 et seq.) of Title 38.2

Pursuant to § [38.2-2001](#), Chapter 20 applies only to (i) insurance written through the Virginia Worker's Compensation Insurance Plan, (ii) coverage provided in the Virginia Automobile Insurance Plan, (iii) coverage provided by the Virginia Property Insurance Association (see § [38.2-2703](#)), (iv) home protection contracts, as defined by § [38.2-2600](#), and (v) policies and certificates of credit involuntary unemployment insurance as defined in § [38.2-122.1](#), and policies and certificates of credit property insurance, as defined in § [38.2-122.2](#).

Rate filings subject to §§ [38.2-2005](#) or [38.2-2006](#) of the Code of Virginia must include rate certification form DR/COF (05/05), which is attached to Administrative Letter [2005-01](#). This form also includes the required certification of notice to the Division of Consumer Counsel of the Office of the Attorney General.

An interactive PDF version of the DR/COF (05/05) is available in SERFF and on the Bureau's website.

E. Birth Injury Fund Credits - Chapter 50 (§ 38.2-5000 et seq.) of Title 38.2

Insurers writing medical professional liability coverage for participating physicians or midwives, or participating hospitals, as defined in § [38.2-5001](#) of the Code of Virginia must file premium credits for participation in the Birth Injury Fund. The credit requirements are outlined in § [38.2-5020.1](#).

F. Excess Rates for Specific Risks

Sections [38.2-1920](#) and [38.2-2013](#) of the Code of Virginia outline the requirements for filing an excess rate for a specific risk. To request an excess rate, submit the applicable excess rate application form. Separate application forms to be used to request excess rates for workers' compensation insurance, or for all other lines of insurance, are available in an interactive format on the Bureau's website.

A request for an excess rate must be received on or before the proposed effective date and must be approved prior to use. The approval order will specify the effective date and the expiration date of the excess rate. Excess rates are approved for only one policy year, and must be applied on a prorated basis if approved after the effective date of the policy.

G. Rate Service Organizations (RSOs) – Rule Filings

Insurers that have authorized rate service organizations (RSOs) to file rules on their behalf should review § [38.2-1908](#) of the Code of Virginia. RSOs may file manuals of rating rules, rating plans, and other supplementary rating information on behalf of the member/subscriber insurers that have authorized them to do so.

When submitting exceptions to materials filed on behalf of an insurer by an RSO, the insurer must structure the exception to track the RSO material, and cite the RSO reference filing designation number (not the circular number) to which the exception applies. Reference document filing numbers for rule-related filings must be cited in the cover letter, explanatory memorandum, or other transmittal document and must not be included on manual exception pages.

Insurers must recognize that, when an RSO re-files a rule to which an insurer has filed an exception, the RSO filing is made on behalf of the authorizing insurer and supersedes the insurer's previously-filed exception. When this occurs, it is the responsibility of the insurer to re-file any exception the insurer wishes to maintain on or before the effective date of the new RSO filing.

H. Delay or Non-Adoption of Rate Service Organization's Filings (other than Workers' Compensation)

If an insurer has authorized an RSO to file rules and supplementary rate information on its behalf and the insurer decides to delay adoption of the RSO material or decides to not use the revision, the insurer must notify the Bureau on or before the RSO's effective date.

I. Delay or Non-Adoption of National Counsel of Compensation Insurance (NCCI) Filings (Workers Compensation)

Insurers must adopt NCCI filings for use with all new and renewal policies effective on or after the effective date set forth in the State Corporation Commission's approval order.

J. Loss Costs Multipliers, Adoption, Non-Adoption, and Modification Filings - Other Than Workers' Compensation

Instructions for submitting loss costs adoption, non-adoption, and modification filings are outlined in Administrative Letter [2006-16](#). Companies must use adoption form PC IRF, which is available in an interactive format in SERFF and also on the Bureau's website [_____](#) and refer to the appropriate loss costs reference filing designation number. Administrative Letter 2006-16 also includes a link to the NAIC website page that displays links to the adoption form.

K. Loss Costs Multiplier Filings and Rule Filings - Workers' Compensation

Administrative Letter [2005-03](#) contains Form WCLC-VA and instructions for filing expense multipliers applicable to current NCCI loss costs. Each NCCI loss costs filing supersedes the previous NCCI loss costs, and all insurers must use the approved NCCI loss costs on their effective date or file independent rates (which are subject to the delayed-effect provisions of § [38.2-1912](#)). Multipliers filed by insurers will remain in effect and apply to each subsequent NCCI loss costs filing on the filing's effective date

unless and until the insurer files a revised form WCLC-VA. Form WCLC-VA, which is available in interactive format in SERFF and on the Bureau's website, [also includes instructions for filing rate-related rules for workers' compensation insurance](#). Rate certification form COF-1, which is attached to Administrative Letter [2005-01](#), and is also available in interactive format in SERFF and on the Bureau's website, must also be filed with each WCLC-VA filing.

L. Workers' Compensation Deductible Plans

Instructions for workers' compensation large deductible filings are set forth in [Exhibit III](#) of this handbook. Certain large deductible plans and retrospective rating plans, when used in writing large risks (defined as risks generating estimated standard workers' compensation premium of at least \$250,000 annually, with a deductible of at least \$100,000 per claim), may be exempted from filing requirements pursuant to § [38.2-1903](#) of the Code of Virginia.

Insurers should follow the filing requirements outlined in the NCCI Basic Manual for the Benefits Deductible Coverage Program (Small Deductible Plan).

M. Workers' Compensation Drug-Free Workplace Premium Credits

Section [65.2-813.2](#) of the Code of Virginia requires that insurers provide premium discounts of up to 5% for drug-free workplace programs. Every insurer providing workers' compensation coverage must file a rule outlining the specific credits available and the eligibility criteria. Insurers should not submit drug-free credit application forms, either with or in lieu of a rule.

N. Workers' Compensation Waiver of Right to Subrogation Rules

NCCI does not file a premium charge for Waiver of our Right to Recover (waiver of subrogation) on behalf of its member insurers in the voluntary market.

If an insurer elects to file a specific waiver of subrogation rule that includes a premium charge equal to or less than the NCCI assigned risk plan premium charge of 5% of the manual premium developed for the work for which the waiver is provided, the filing will be accepted without supporting actuarial data. However, the filing will be subject to 60-days delayed effect as required by § [38.2-1912](#) of the Code of Virginia. If the insurer elects to charge a higher premium, the insurer will be required to submit actuarial support. Similarly, if an insurer elects to file a rating rule for a blanket waiver of subrogation, a premium charge equal to or less than 5% of the manual premium for the policy will be accepted without actuarial support.

O. Claims-Made Rates

Claims-made rates may include maturity step factors if the policy includes a retroactive date or similar limitation.

Extended reporting period rates for commercial general liability (premises/operations, products/completed/operations, etc.) are exempted from filing requirements by Administrative Order [11542](#).

P. Credit Property Insurance and Credit Involuntary Unemployment Insurance (IUI)

Credit property insurance and credit involuntary unemployment insurance (IUI) rates are regulated under the “prior approval” provisions of Chapter 20. All rate filings submitted on or after April 1, 2005, must comply with a loss ratio standard of not less than 50% as set forth in § [38.2-2003 E](#) of the Code of Virginia.

The provisions of § [38.2-2006.1](#) of the Code of Virginia also establish prior approval regulatory authority for the rates charged for certificates issued or delivered to a Virginia resident even if the master policy is issued or delivered in another state. Refer to Administrative Letter [2000-8](#) (House Bill 716) for details.

Q. 36-Month Experience Period for Accidents Does Not Apply to Commercial Auto Policies

Administrative Letter [2006-15](#) indicates that the 36 month experience period set forth in § [38.2-1904 D](#) is not applicable to experience rating plans or other types of rating plans that are based on accidents and/or convictions used with commercial auto insurance. This letter also indicates that § [38.2-1905](#) of the Code of Virginia is not applicable to experience rating plans or other types of rating plans that are based on accidents and/or convictions used for commercial auto insurance.

R. Competitive Pricing Forms VA CP-12 and VA CP-20 (No Longer Required)

Administrative Letter [2008-02](#) withdrew Administrative Letter [2004-04](#), which required insurers to file competitive pricing form VA CP-20 (Edition 05/04) with each private passenger automobile rate filing and competitive pricing form VA CP-12 (Edition 05-04) with each homeowner’s rate filing. These forms are no longer required.

S. Interpolation Rule Formulas

Insurers wishing to interpolate rates must file their interpolation formula in compliance with § [38.2-1906](#) of the Code of Virginia.

T. Installment Payment Plans, Other Fees Charged by Insurers

Installment payment plans must be filed with the Bureau on or before the proposed implementation date if the insurer is charging a fee. If no fees are charged, the plans are not required to be filed. Refer to Administrative Letter [1993-6](#) and § [38.2-310](#) of the Code of Virginia.

Installment payment plans should be submitted in a single filing if the plan is applicable to more than one line or program. The filing should list the eligible lines and/or programs.

Other fees charged by insurers, such as late fees, dishonored check fees and reinstatement fees must also be filed with the Bureau.

Insurers may not file installment payment plans or charge any other fees for residual market (assigned risk) policies.

U. Ranges of Rates Prohibited

Sections [38.2-1904](#) and [38.2-1906](#) of the Code of Virginia require that specific rates be filed. Ranges of rates and other non-specific rating formulas are not permitted.

V. Refer to Company References As Substitutes for Rates

"Refer to company" rule requirements are addressed in Administrative Letter [1985-11](#). Rates developed pursuant to such rules must be filed with the Bureau prior to use.

W. Endorsement Rules and Cross Reference Rules

In accordance with the filing requirements for rates and supplementary rating information set forth in § [38.2-1906](#) of the Code of Virginia, manual rules and rates must be filed for all premium-bearing forms and endorsements.

If a company assigns its own form numbers to forms identical to forms filed on the company's behalf by a rate service organization, or to Virginia standard automobile forms, a cross-reference rule is required. The rule must show the company form number and edition date and the RSO or Virginia standard automobile form number and edition date. Cross-reference rules must be updated as needed to reflect any changes to RSO forms, form numbers, or edition dates or standard automobile forms, form numbers, or edition dates. Cross-referenced forms must be maintained in the identical language of the RSO or Virginia standard automobile forms and reflect all changes made in the RSO or standard forms when form numbers or edition dates are changed.

X. Tiered Pricing Plans

Tiered pricing programs, wherein different rates are charged for the same coverage written by the same company, are permitted. However, certain requirements must be met in order to comply with §§ [38.2-1904](#) and [38.2-1906](#) of the Code of Virginia. If an insurer wishes to use tiered rating, the insurer is required to file eligibility criteria applicable to new and renewal policies for each tier. The eligibility criteria determine how a particular risk is rated in that company (i.e., which tier will apply). Eligibility criteria may not overlap; that is, no risk should be able to meet the eligibility criteria for more than one rating tier.

In addition to filing eligibility criteria, insurers are required to "re-underwrite" each policy at renewal to ensure that the appropriate rates are applied in accordance with the filed eligibility criteria. The filed rule must reflect this requirement. The company's underwriting guidelines are not required to be filed. The underwriting guidelines determine what risks are actually eligible to be written by the company, as opposed to how such risks will be rated or priced.

For private passenger automobile programs, it is not acceptable to use "not at fault" accidents (which also includes medical expense and income loss benefits claims and uninsured motorist claims) and comprehensive losses for tier eligibility for renewals. Such a practice could result in an increase in premium for an accident not caused wholly or partially by the insured (a violation of § [38.2-1905 A](#) of the Code of Virginia).

Y. Credit Scoring Used in Rating or Tiering (Personal Lines)

Credit scoring and credit-related information used in rating personal lines of insurance are permitted. If used in rating or tiering, all credit scores and credit-related information must comply with the rate standards set forth in § [38.2-1904](#) of the Code of Virginia and must be filed pursuant to the provisions of § [38.2-1906](#) of the Code of Virginia.

Section [38.2-2126](#) of the Code of Virginia outlines the requirements for credit scores used in relation to any property policy written to insure an owner-occupied dwelling or the personal property of a tenant's residential property risk. Section [38.2-2234](#) of the Code of Virginia outlines the requirements for credit scores used in relation to any private passenger automobile policy.

If the company uses credit scoring or credit-related information as a separate or final rating variable, the company must provide the credit score ranges and the associated rate differential(s) for each range or band of credit scores.

If the company uses credit scoring or credit-related information as part of a tiered rating program, the company must provide the credit score ranges and the associated rate differential(s) for each tier.

Please review Administrative Letter [2002-6](#). Companies must physically file the scoring model that is used to derive the credit score.

Z. Credit Report Scoring (Commercial Lines Other than Workers' Compensation)

Credit scoring models used for purposes other than risk selection must be filed.

AA.Credit Report Scoring (Workers' Compensation)

Credit scoring models used for purposes other than risk selection must be filed. Such filings will be subject to the 60-day-delayed-effect provisions of § [38.2-1912](#) of the Code of Virginia pursuant to § [38.2-1906 E](#).

BB.Rating Plans – Other than Workers' Compensation

Administrative Letter [2006-15](#) dated November 8, 2006, simplifies and clarifies filing requirements applicable to schedule rating plans, expense modification plans, and experience rating plans. For the purposes of this administrative letter, the term schedule rating plans also means individual risk premium modification plans. In order to illustrate several provisions of this administrative letter, a sample of a typical schedule rating plan is provided as an attachment.

RSOs that file rating plans on behalf of member insurers may require insurers to independently file expected loss ratios and/or tax multipliers for use with such rating plans. Insurers should refer to the RSO circular provided in conjunction with the rating plan for instructions.

CC.Faculative Reinsurance

Administrative Letter [2006-15](#) permits insurers to file rating plans that allow up to 100% of the cost of faculative reinsurance to be passed along to policyholders.

DD.Waiver of Premium Rules

Administrative Letter [1983-12](#) explains the requirements for waiver of premium rules. The insured must be advised when return premiums are waived, and such return premiums must be remitted to the insured upon request.

EE.Rules and Rates Exempt From Filing Requirements

Dividend plans are not subject to filing requirements or Bureau approval and should not be submitted. Refer to §§ [38.2-502](#) and [38.2-509](#) of the Code of Virginia.

Section [38.2-1902](#) of the Code of Virginia exempts aircraft hull and aircraft liability rates from filing requirements.

Section [38.2-1903.1](#) of the Code of Virginia exempts certain rates used in writing large commercial risks that meet the criteria specified in the statute.

Filings that contain only exempt rules or rates will be returned to the filer. Insurers will be requested to withdraw exempt rules or rates from manual pages that also contain rules or rates that are subject to filing requirements.

Refer to the administrative orders listed in [Exhibit II](#) of this handbook for specific lines and sub-classifications of insurance that are exempted from rate filing requirements pursuant to the provisions of § [38.2-1903](#) of the Code of Virginia.

III. FILING REQUIREMENTS FOR POLICY FORMS AND ENDORSEMENTS

Pursuant to § [38.2-317](#) of the Code of Virginia, all forms and endorsements of the kind to which Chapter 19 (§ [38.2-1900](#) et seq.) applies (§ [38.2-1902](#) outlines the scope of Chapter 19) must be received by the Bureau of Insurance at least 30 days prior to the proposed effective date.

Filing requirements do not apply to statutory fire insurance policies (meaning policies written in the language specified in §§ [38.2-2104](#) and [38.2-2105](#)), standard automobile policy forms and endorsements, workers' compensation and employers liability forms, surety forms, or to forms specifically exempted from filing requirements by administrative order, pursuant to the provisions of § [38.2-1903.1](#) (large commercial risks), or pursuant to the provisions of § 38.2-317 F of the Code of Virginia.

The statutory 172-line fire policy and the standard fire insuring agreement are prescribed by §§ 38.2-2104 and 38.2-2105 of the Code of Virginia.

Standard automobile forms and endorsements are promulgated by the Bureau in accordance with § [38.2-2218](#) of the Code of Virginia. These forms are available for use by all insurers and are exempt from filing requirements.

Policy forms and endorsements for workers' compensation and employers' liability insurance should not be submitted to the Bureau for approval. The Virginia Workers' Compensation Commission is responsible for form review and approval for workers' compensation insurance pursuant to § [65.2-813](#) of the Code of Virginia.

Policy form or endorsement filings will be reviewed and either approved or disapproved within 30 days of the Bureau's receipt of the filing unless the filer is notified in writing that the waiting period is being extended. The waiting period may be extended for an additional 30 days in order to provide the filer with the opportunity to make corrections within the extended period and retain the original effective date. In these instances, a response will be requested by a specified date. If the response is not received when requested, the filing will be disapproved. The reasons for which forms may be disapproved are outlined in § 38.2-317 B.

If a paper filing is returned and corrections are subsequently provided within one year, only the corrected items are required to be submitted, since the rejected materials will be retained in our files for one year. SERFF filings may be reopened for further consideration via a "note to reviewer." The reopened filing schedules must clearly indicate which materials are being added, replaced or withdrawn.

Resubmissions and requests to reopen submissions should be directed to the attention of the examiner who returned the filing. Paper resubmissions must cite the Bureau's filing identification number ("BOI Number"). The insurer must also propose a new effective date in accordance with Administrative Letter [2006-08](#) and § 38.2-317, allowing at least 30 days after the date the re-submission will be received by the Bureau.

A. Change Endorsements, Notices, Declarations

Notices and blank endorsements for making clerical changes should not be submitted.

Manuscripting of policy forms or endorsements is not permitted except with respect to endorsements used on an occasional basis to broaden coverage without premium charge as allowed by Administrative Order [8124](#). Endorsements manuscripted in accordance with Administrative Order 8124 should not be submitted for approval.

Insurers are not required to file declarations pages for approval **unless** they include definitions, exclusions, conditions or provisions of coverage that are not also contained elsewhere in the policy. Additionally, insurers are not required to file declarations pages for approval solely because the time the insurance takes effect and ends is not contained elsewhere in the policy.

Please note that commercial auto policy declarations pages are standard auto forms that do contain terms and conditions of coverage. The currently approved commercial standard auto forms are available on the Bureau's website.

B. Applications

Applications are not subject to review or approval and should not be submitted. In order to satisfy the requirements of § [38.2-305](#) of the Code of Virginia, all terms and conditions of the policy must be contained in the policy forms and/or endorsements. Even if an application is made a part of the policy, the application is not a "policy form" or "endorsement" under the provisions § [38.2-317](#) of the Code of Virginia.

If a company elects to include exclusions or terms or conditions of coverage in an application, it is the company's responsibility to ensure that such provisions are also included in the policy forms or endorsements approved for use in Virginia.

In addition, if a company elects to include rates or rating rules in an application, it is the company's responsibility to ensure compliance with any applicable rate or rule filing requirements.

C. Rate Service Organizations (RSOs)

Pursuant to § [38.2-317 H](#) of the Code of Virginia, an insurer that authorizes an RSO to file forms on its behalf must notify the Bureau prior to the RSO effective date of any filing the insurer is not going to adopt or if the insurer is delaying adoption to a later date.

If an insurer makes amendments to any forms filed on its behalf by an RSO, the amended form must be filed with the Bureau in accordance with the 30-day waiting period set forth in § 38.2-317 of the Code of Virginia. The filing must indicate, in detail, every change, the extent of the change, and where such change is located in the form or endorsement.

If the change is clerical; such as adding a company name or logo or changing the form number, the company is not required to submit the form for the Bureau's review or approval. However, a cross-reference rule is required if form numbers are changed. The cross-reference rule must list the RSO form's title, form number and edition date and the corresponding company form number, title and edition date.

D. Independent Form Filings

Insurers must file all independently developed forms and endorsements for the Bureau's review and approval at least 30 days prior to the proposed effective date pursuant to § [38.2-317](#) of the Code of Virginia. Endorsements must clearly indicate the specific policy form and, the specific section of the policy form, being amended.

E. Property Insurance Form Filings

Statutory Fire Insurance Policy

Insurers may use the Virginia statutory ("standard") fire policy, as set forth in §§ [38.2-2104](#) and [38.2-2105](#) of the Code of Virginia without filing it. However, the policy must be used in its precise language, without modification.

Insurers filing readable property insurance forms that provide fire insurance coverage are required by § [38.2-2107](#) to file forms that are in no respect less favorable to the insured than the statutory fire policy. Such forms are subject to the prior-approval provisions of § [38.2-317](#) of the Code of Virginia.

Virginia Administrative Code Section [14 VAC 5-340-10](#) et seq. (Formerly Regulation 17)

Virginia Administrative Code Section [14 VAC 5-340-10](#) et seq. outlines the minimum standards of content for policies insuring owner-occupied dwellings.

Insurers who elect to develop independent policy forms and endorsements must carefully examine the provisions of [14 VAC 5-340-10](#) et seq. to ensure compliance prior to submission. The filing must contain a certification of compliance. Suggested language for certification of compliance with [14 VAC 5-340-10](#) et seq. is as follows:

"We certify that this policy and all endorsements attached hereto are in compliance with [14 VAC 5-340-10](#) et seq. of the Virginia Administrative Code." A certification of compliance form can be found on the last page of the Homeowner's checklist.

The Homeowners and Dwelling Fire programs approved for RSOs, (Insurance Services Office, Inc., and American Association of Insurance Services, Inc.) meet or exceed the minimum standards set forth in [14 VAC 5-340-10](#), et seq.

Ordinance or Law (Mandatory Offer of Coverage)

Pursuant to § [38.2-2124](#) of the Code of Virginia, insurers issuing or delivering new or renewal policies of fire insurance or policies of fire insurance in combination with other coverage are obligated to offer in writing, as an option, a provision that property will be repaired or replaced in accordance with applicable ordinances or laws that regulate construction, repair, or demolition. The statute does not permit ordinance or law coverage endorsements to exclude coverage for ordinances or laws related to pollution or environmental impairment. Refer to Administrative Letter [1993-9](#) for details.

Replacement Cost Coverage

Pursuant to the provisions of § [38.2-2119 B](#) of the Code of Virginia, fire insurance policies or policies of fire insurance in combination with other coverage that provide replacement cost coverage must permit the insured to make a claim for the actual cash value of the property without prejudicing the insured's right to later make a claim for the difference between the actual cash value and the full replacement cost of the property.

Such claims must be accepted if made within six months of the later of (i) the last date the insured received payment for the actual cash value, or (ii) the date of entry of a final order declaring the right of the insured to full replacement cost coverage.

Functional Replacement Cost Coverage

Refer to § [38.2-2119 C](#) of the Code of Virginia for requirements when providing, at the insured's option, loss settlement on a functional replacement cost basis.

Water and Sewer Backup Coverage (Mandatory Offer of Coverage)

Section [38.2-2120](#) of the Code of Virginia requires insurers that issue or deliver Homeowners policies in Virginia to offer as an option a provision for insuring against loss caused by or resulting from water which backs up through sewers or drains. Refer to Administrative Letter [1980-2](#) for details.

F. Automobile (Motor Vehicle) Insurance Form Filings

Section [38.2-2218](#) of the Code of Virginia gives the Bureau the authority to establish standard policy forms and endorsements for writing automobile insurance. It is not necessary for the insurer to physically file standard automobile forms for review or approval. Standard automobile forms are approved for use by all insurers licensed to write motor vehicle insurance in Virginia.

Insurers writing automobile insurance in Virginia must use the standard forms in the precise language adopted by the Bureau pursuant to § [38.2-2220](#) of the Code of Virginia. No insurer shall use any form covering substantially the same provision contained in an approved standard form unless it is in the precise language of the standard form. Copies of the currently approved standard forms (other than collateral protection and mechanical breakdown) are available on the Bureau's website.

A list of the Collateral Protection and Mechanical Breakdown forms is included as [EXHIBIT IV](#) of this handbook.

Section [38.2-2223](#) of the Code of Virginia establishes that insurers may submit for the Bureau's review and approval endorsements containing additional provisions, other than those in the standard form, or coverages more favorable than those in the standard form. Section [38.2-2224](#) permits insurers to develop readable forms or endorsements which deviate in language, but not in "substance or coverage" from the standard forms.

However, all such endorsements must be demonstrated to provide coverage that is broader than the coverage provided by the standard forms, and must be in no respect

less favorable to the insured than the standard forms. These endorsements are subject to the 30-day prior-approval provisions of § [38.2-317](#) of the Code of Virginia.

Pursuant to the provisions of § [38.2-2230](#) of the Code of Virginia, the offer of rental reimbursement coverage must be made by every insurer issuing a new or renewal "policy of motor vehicle insurance" as defined in § [38.2-2212](#) of the Code of Virginia. Commercial automobile policies endorsed to provide coverage for individual named insureds may also be subject to the provisions of § 38.2-2230. Refer to Administrative Letter [1994-7](#) for details.

Permissive Use of Motor Vehicles, Aircraft, and Watercraft (“Omnibus Clause”)

Section [38.2-2204](#) of the Code of Virginia requires all policies covering liability for bodily injury or property damage arising from the ownership, maintenance, or use of any motor vehicle, aircraft, or private pleasure watercraft issued upon, or to the owner of, such motor vehicle, aircraft, or watercraft to provide coverage to all permissive users of, and any persons responsible for the use of, the motor vehicle, aircraft, or private pleasure watercraft.

This statute prohibits the use of named driver exclusions in automobile insurance policies.

Commercial Lines Automobile Coverage

Administrative Order [11540](#) approved the Insurance Services Office, Inc. Simplified Commercial Auto Program as Virginia’s commercial standard auto forms for policies effective on and after February 1, 2004. Administrative Order [11822](#), which applies to policies effective on and after September 1, 2009, approves revisions to the majority of the forms approved by Administrative Order 11540 and subsequent orders. All Virginia commercial auto standard forms can be accessed from the Bureau’s website.

Personal Lines Automobile Coverage

Administrative Order [11730](#) adopts the ISO Personal Auto Policy form and related endorsements as the only personal lines auto standard forms. These forms must be adopted for use by all insurers applicable to policies effective on and after July 1, 2008. The personal lines auto forms can be accessed on the Bureau’s website.

Rating Information Statement

Section [38.2-2214](#) of the Code of Virginia requires insurers to file a rating information statement with all private passenger automobile programs. The statement must define rate classifications and include all available discounts and surcharges.

Since this statement is compared to the manual, it is necessary for insurers to file a revised rating information statement whenever there is a change in the manual that affects the information included in the rating information statement (e.g., a new discount introduced).

The rating information statement is considered a rule and rate filing and is not approved as stated in the statute; such filings are acknowledged as “filed”. Rating information statements include a summary and do not need to be identical to the manual rules.

G. Credit Property Insurance and Credit Involuntary Unemployment Insurance (IUI)/Credit Disclosure Forms

Insurers should carefully review the form and disclosure notice requirements for credit property insurance and credit IUI insurance contained in § [38.2-233](#) of the Code of Virginia. Significant changes were made to the regulation of credit property insurance and credit involuntary unemployment insurance during the 2000 Virginia General Assembly Session via House Bill 716. Purchasers of credit property insurance must be given the same disclosures as those required to be given to purchasers of credit IUI.

For example, § 38.2-233 F established a free look period and all credit property and credit IUI forms must include a notice advising consumers that they have a specific number of days to cancel the policy and receive a full refund; and § 38.2-233 G prohibits insurers from charging premiums for items not covered under a credit property insurance policy, such as finance charges, service fees, delivery charges, taxes, or interest, under closed-end credit transactions.

This legislation also established regulatory authority for certificates issued or delivered in Virginia, even if the master policy is issued or delivered in another state.

Refer to Administrative Letter [2000-8](#) for more details of the changes passed in 2000.

The disclosure requirements of §§ 38.2-233 (credit property and credit IUI) and [38.2-3735](#) (credit life and credit accident insurance) of the Code of Virginia may be combined in a single disclosure form. The life and health and property and casualty companies must each submit the same disclosure form to the Bureau for approval.

H. Uninsured Boaters Insurance (Mandatory Offer of Coverage)

Section [38.2-2232](#) of the Code of Virginia requires all insurers issuing new or renewal policies or contracts covering liability arising from the ownership, maintenance or use of a private pleasure watercraft to offer, in writing, the option of purchasing coverage for damages which the insured is legally entitled to recover from the owner or operator of an uninsured private pleasure watercraft. The coverage must include bodily injury and property damage. Such insurer is required to offer limits of liability for uninsured private pleasure watercraft coverage equal to the limits of liability insurance provided by the policy. Therefore, any insurer writing policies covering liability on private pleasure watercraft must offer the option of purchasing uninsured boaters coverage. Policies that are of an excess or umbrella type or which provide liability coverage incidental to a policy not related to a specifically insured private pleasure watercraft are not required to offer, provide, or make available uninsured private pleasure watercraft coverage.

I. Liability Insurance Form Filings

Bankruptcy, Insolvency, Unsatisfied Judgment Provisions

Section [38.2-2200](#) of the Code of Virginia requires all policies insuring against liability for personal injury or property damage to contain provisions stating that:

- (1) Insolvency or bankruptcy of the insured, or the insolvency of the insured's estate, shall not relieve the insurer of any of its obligations under the policy, and
- (2) Any party who has obtained a judgment against the insured, which is returned unsatisfied, may bring an action against the insurer to recover damages insured by the policy.

Absolute Pollution Exclusions - Carbon Monoxide

Section [38.2-235](#) of the Code of Virginia addresses pollution exclusions for liability insurance. No policy or endorsement shall be deemed to exclude coverage for the discharge, dispersal, seepage, migration, release, emission, leakage or escape of carbon monoxide from a residential or commercial heating system unless excluded in such policy by explicit reference.

Permissive Use of Motor Vehicles, Aircraft, and Watercraft ("Omnibus Clause")

Section [38.2-2204](#) of the Code of Virginia requires all policies covering liability for bodily injury or property damage arising from the ownership, maintenance, or use of any motor vehicle, aircraft, or private pleasure watercraft issued upon, or to the owner of, such motor vehicle, aircraft, or watercraft to provide coverage to all permissive users of, and any persons responsible for the use of, the motor vehicle, aircraft, or private pleasure watercraft.

Notwithstanding any requirements in § 38.2-2204 to the contrary, an insurer may exclude any person from coverage under a personal umbrella or excess policy, if the exclusion is requested in writing by the first named insured and is acknowledged in writing by the excluded driver.

Post-Judgment Interest

Post-judgment interest is extra contractual and is not required to be covered by the policy. However, if this coverage is provided, it must be paid in addition to the policy limits. In addition, policies may not apply deductibles or self-insured retentions to coverage for post-judgment interest.

Virginia Administrative Code Section [14 VAC 5-335-10](#) – Claims-Made Form Filings

Virginia Administrative Code Section [14 VAC 5-335-10 et seq.](#), Rules Governing Claims-Made Liability Insurance Policies, outlines the minimum standards of content for claims-made policies.

An Extended Reporting Period (ERP) must be offered to the named insured upon cancellation or nonrenewal of claims-made coverage by either the insurer or the insured, upon advancement of any retroactive date, or upon renewal on other than a claims-made basis. To the extent that policy limits apply separately to each named insured, each named insured shall be separately entitled to purchase an ERP.

The insurer does not have to offer the ERP if cancellation or nonrenewal is due to nonpayment of premium, failure to comply with terms or conditions of the policy, or fraud.

An unlimited ERP must be offered for medical malpractice coverage. A minimum of a two-year ERP must be offered for all other claims-made liability coverage. Greater or more limited ERPs may also be offered.

The insured must be allowed at least 30 days after coverage ends in which to purchase the ERP. Once in effect, the ERP cannot be cancelled by the insurer except for nonpayment of premium or fraud.

Except with respect to ERPs for excess/umbrella and pollution coverage, and to ERPs of 60 days or less provided automatically without a premium charge, insurers must offer ERPs with unimpaired limits of liability equal to the limits of the policy being extended. Higher or lower limits may also be offered.

When an insurer excludes any existing coverage from a claims-made policy, and the policy remains in effect or is renewed, the insurer must offer an ERP on the same basis that the ERP would be offered if the entire contract were being terminated.

The ERP coverage can apply as excess over other coverage, but the insurer cannot void coverage if other insurance applies.

Refer to 14 VAC 5-335-10 et seq. for notice requirements and additional details.

J. Miscellaneous Casualty Insurance

Insurers that issue policies of miscellaneous casualty insurance as defined by § [38.2-111 B](#) of the Code of Virginia must comply with the notice requirements of § [38.2-231](#) of the Code of Virginia pertaining to cancellations, non-renewals, premium increases and reductions in coverage. Such policies are subject to the provisions of § [38.2-2200](#) of the Code of Virginia pertaining to insolvency, bankruptcy, and unsatisfied judgments. If written on a claims-made basis, such policies are subject to the requirements of the Virginia claims-made regulation. (See [14 VAC 5-335-10 et seq.](#))

K. Binding Arbitration and Appraisal Prohibited

Section [38.2-312](#) of the Code of Virginia states that no insurance contract may be issued or delivered in the Commonwealth of Virginia if the contract contains any condition, stipulation or agreement depriving the courts of the Commonwealth of jurisdiction in actions against the insurer. Therefore, insurers are not permitted to include binding arbitration or binding appraisal conditions in policy forms. However, arbitration or appraisal conditions or clauses are permitted provided that they do not attempt to usurp the courts of their jurisdiction. For example, the insurance policy may include a provision that indicates the insured and insurer may agree to resolve a dispute through a non-binding appraisal or arbitration process after a loss. Refer to Administrative Letter [1998-12](#) for details.

L. Fraud Notices

Section [52-40](#) of the Code of Virginia requires all insurance applications and all claim forms to contain a statement (permanently affixed to, or included as part of, the application or claim form) that states in substance that, "It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance

benefits." Insurers should consult with their legal department regarding the proposed use of wording that differs from the language of the statute.

Claim forms and applications are not subject to approval by the Bureau and should not be filed.

M. Forms Exempted From Filing Requirements by Administrative Order

[Exhibit II](#) of this handbook lists administrative orders that exempt certain policy forms and endorsements from filing requirements pursuant to § [38.2-317 F](#) of the Code of Virginia.

IV. SIGNIFICANT STATUTORY REFERENCES IN TITLE 38.2 OF THE CODE OF VIRGINIA FOR RULE, RATE, AND FORM FILINGS

- Chapter 1, (§ [38.2-100](#) et seq.) General Provisions - Defines and classifies the various lines of insurance.
- Chapter 2, (§ [38.2-200](#) et seq.) Provisions of a General Nature - Specific attention should be given to § [38.2-231](#), Notice of Cancellation of or Refusal to Renew Certain Commercial Insurance Policies. Refer to Administrative Letter [2006-12](#) for details.
- Chapter 3, (§ [38.2-300](#) et seq.) Provisions Relating to Insurance Policies and Contracts - Outlines provisions relating to the content of policies and authority for approval and/or disapproval of forms
- Chapter 19, (§ [38.2-1900](#) et seq.) Regulation of Rates Generally - Outlines the manner in which insurance rates are regulated in Virginia, sets forth rate standards, the authority of rate service organizations, and the procedure for disapproval of rates and exemption from filing requirements.
- Chapter 20, (§ [38.2-2000](#) et seq.) Regulation of Rates For Certain Types of Insurance – Describes the regulation of rates for certain types of insurance that are subject to prior approval.
- Chapter 21, (§ [38.2-2100](#) et seq.) Fire Insurance Policies - Includes the statutory insuring agreement and the 172 lines of the standard fire policy.
- Chapter 22, (§ [38.2-2200](#) et seq.) Liability Insurance Policies - Outlines requirements for liability insurance policies, including automobile. Special attention should be given to §§ [38.2-2200](#) and [38.2-2204](#) when submitting form filings.
- Chapter 23, (§ [38.2-2300](#) et seq.) Legal Services Insurance - Outlines requirements for Legal Services Insurance.
- Chapter 24, (§ [38.2-2400](#) et seq.) Fidelity and Surety Insurance - Outlines requirements for insurers providing Fidelity and Surety Insurance.
- Chapter 25, (§ [38.2-2500](#) et seq.) Mutual Assessment Property and Casualty Insurers - Outlines classes of insurance which may be written by such insurers and sets forth other applicable requirements.
- Chapter 26, (§ [38.2-2600](#) et seq.) Home Protection Insurers - Outlines regulation of Home Protection insurers.
- Chapter 30, (§ [38.2-3000](#) et seq.) Uninsured Motorists Fund - Contains provisions for handling of the distribution of the Uninsured Motorists Fund.
- Chapter 50, (§ [38.2-5000](#) et seq.) Virginia Birth-Related Neurological Injury Compensation Act - § [38.2-5020.1](#) requires credits applicable to medical malpractice premiums for certain participating physicians and hospitals.

V. STATISTICAL AGENT REPORT FORM

Each insurer is required to complete and submit form VA SRF-2. This form identifies the statistical agent to which the insurer reports statistics for each line of insurance the insurer is authorized to write in Virginia. The VA SRF-2 form must be completed in its entirety at the time of licensing and must be resubmitted if the insurer makes a change to its name, adds a line of insurance, or changes a statistical agent. This form is available on the Bureau's website.

VI. INDEX OF EXHIBITS

| | |
|-----------------------------|--|
| Exhibit I | Administrative Letters |
| Exhibit II | Filing Exemption Orders |
| Exhibit III | Filing Instructions for Workers' Compensation Deductible Plans |
| Exhibit IV | Collateral Protection and Mechanical Breakdown Forms |

EXHIBIT I



ADMINISTRATIVE LETTERS

Administrative Letter [2008-02](#) – Insurers No Longer Required to Submit VA-CP-12 or VA CP-20 Competitive Pricing Forms with Homeowners or Private Passenger Auto Rate Filings: Withdrawal of Administrative Letter 2004-04

Administrative Letter [2008-01](#) – Filing Procedures for Compliance with the Provisions of the Terrorism Risk Insurance Program Reauthorization Act of 2007

Administrative Letter [2007-08](#) – Withdrawal of Administrative Letters 1985-5, 1985-17, 1990-11, and 1993-11

Administrative Letter [2006-16](#) – Prospective Loss Cost Filing Requirements Other than Workers' Compensation

Administrative Letter [2006-15](#) – Schedule Rating Plans, Expense Modification Plans, Experience Rating Plans, and Facultative Reinsurance

Administrative Letter [2006-12](#) – Amendments to § [38.2-231](#) of the Code of Virginia

Administrative Letter [2006-08](#) – Implementation of Filings

Administrative Letter [2006-3](#) – Terrorism Risk Insurance Extension Act of 2005

Administrative Letter [2005-03](#) – Workers' Compensation Expense Multipliers and Related Rules

Administrative Letter [2005-01](#) – Rate Certification Forms

Administrative Letter [2004-06](#) – Conditional Terrorism Exclusions

Administrative Letter [2002-15](#) – Terrorism Risk Insurance Act of 2002

Administrative Letter [2002-6](#) – Use of Credit Scoring Models in Rating Auto & Homeowners Insurance

Administrative Letter [2000-7](#) – Credit Property Insurance

Administrative Letter [1998-12](#) – Binding Arbitration Provisions in Insurance Contracts

Administrative Letter [1997-8](#) – Order Vacating Delayed Effect Rate Filings for Certain Lines and Sub-Classifications of Commercial Liability Insurance

Administrative Letter [1994-7](#) – Mandatory Offer of Rental Reimbursement Coverage

Administrative Letter [1993-11](#) – Credit Involuntary Unemployment Insurance (This administrative letter has been withdrawn by Administrative Letter 2007-08.)

EXHIBIT I



ADMINISTRATIVE LETTERS, continued

Administrative Letter [1993-10](#) – Use of final rates filed by rate service organizations for property and casualty lines of insurance other than Workers' Compensation Insurance

Administrative Letter [1993-9](#) – Building Ordinance or Law Coverage

Administrative Letter [1993-6](#) – Installment payment plans

Administrative Letter [1991-9](#) – Private passenger auto medical expense coverage

Administrative Letter [1990-9](#) – Point assignment under a safe driver insurance plan

Administrative Letter [1985-11](#) – "Refer to Company" references

Administrative Letter [1983-12](#) – Manual rules that waive premium refunds or charges

Administrative Letter [1983-7](#) – NAIC number to be included in all filings

Administrative Letter [1980-2](#) – Homeowners insurance against loss caused or resulting from water which backs up through sewers or drains

EXHIBIT II



ADMINISTRATIVE ORDERS

Administrative Order [11821](#) – Exempts rates, supplementary rate information and loss costs used in writing kidnap, ransom, and extortion insurance for commercial business entities.

Administrative Order [11773](#) – Exempts rates and supplementary rate information for writing municipal bond insurance as credit insurance.

Administrative Order [11761](#) – Exempts rates, supplementary rate information, and loss costs used in writing surety insurance as defined in § 38.2-121 of the Code of Virginia.

Administrative Order [11758](#) – Exempts crop insurance rules, rates, and forms.

Administrative Order [11647](#) – Exempts rules and rates for excess personal and commercial liability insurance, including excess automobile liability insurance and excess liability contracts classified as miscellaneous casualty insurance, when the described minimum underlying limits and/or retentions are required.

Administrative Order [11644](#) – Exempts rules and rates for commercial public event cancellation insurance (does not include event cancellation insurance for personal or private events).

Administrative Order [11617](#) – Exempts policy forms and endorsements for commercial excess fire insurance.

Administrative Order [11616](#) – Exempts rules and rates for commercial excess fire insurance.

Administrative Order [11542](#) – Outlines eligibility for “a” rating certain classes of general liability insurance.

Administrative Order [11508](#) – Exempts rules and rates for technology liability insurance.

Administrative Order [11397](#) – Exempts rules and rates for liquor liability insurance.

Administrative Order [11348](#) – Exempts rules and rates for business credit insurance.

Administrative Order [11317](#) – Exempts policy forms and endorsements for writing certain highly protected risks.

Administrative Order [11293](#) – Exempts rules and rates for Year 2000 computer related and other electronic problems for all lines of commercial insurance.

Administrative Order [11249](#) – Exempts rules and rates for directors and officers liability, fiduciary liability, and liability insurance for medical and pharmaceutical clinical trials testing.

EXHIBIT II

ADMINISTRATIVE ORDERS, continued



Administrative Order [11248](#) – Exempts rules and rates for architects and engineers professional liability and environmental impairment liability, including underground storage tanks. This order also exempts rates for pollution coverage offered in connection with ordinance or law coverage.

Administrative Order [11167](#) – Exempts rules and rates for employment practices liability insurance.

Administrative Order [10210](#) – Exempts rates for automobile liability, automobile physical damage, and general liability insurance when annual basic limits premium is \$150,000 or more.

Administrative Order [9721](#) – Exempts rules and rates for private pleasure watercraft 26' in length and over.

Administrative Order [9720](#) – Exempts forms for private pleasure watercraft 26' in length and over.

Administrative Order [9079](#) – Exempts certain commercial inland marine rules and rates. Only the classes listed in the order are subject to filing requirements.

Administrative Order [9078](#) – Exempts certain commercial inland marine forms from filing requirements. Only the classes listed in the order are subject to filing requirements.

Administrative Order [8873](#) – Exempts nuclear energy property insurance (physical damage) rates.

Administrative Order [8497](#) – Exempts mortgage pool insurance rates.

Administrative Order [8301](#) – Exempts rules and rates for certain highly protected risks.

Administrative Order [8124](#) – Permits the manuscripting of broadenings of approved forms for the lines specified in the Order. Forms need not be filed for approval if utilized on an occasional basis without a premium charge.

Administrative Order [7236](#) – Exempts boiler and machinery rates with \$50,000 or greater annual deposit premium.

Administrative Order [6855](#) – Exempts nuclear energy liability rates.

Administrative Order [6847](#) – Exempts rates for excess coverage written above Virginia Property Insurance Association (VPIA) maximum limits.

Administrative Order [6844](#) – Exempts excess of loss fire insurance rates with insured's retention of \$100,000 or more.

EXHIBIT III

WORKERS' COMPENSATION LARGE DEDUCTIBLE PLANS FILING INSTRUCTIONS

Policy forms and endorsements must be filed in accordance with the requirements of the Workers' Compensation Commission, 1000 DMV Drive, Richmond, Virginia 23220.

With regard to the deductible rating plan:

1. Values for expense provisions, underwriting profit provision, premium discounts, and charges for assigned risk overburden should be consistent with the values in the filed manual rates. In the case where values are not consistent, support for the proposed values used in the large deductible rating plan will have to be provided.
2. Companies must calculate their own Retrospective Expected Loss Ratio (RELRL) based on the underwriting expense provisions, underwriting profit provision, and charges for assigned risk overburden used to develop their filed loss cost multiplier. In the case where the RELRL is to be based on provisions and charges not consistent with the same values in the filed manual rates, support for the proposed values will have to be provided.
3. NCCI files Excess Loss Pure Premium Factors (ELPPFs). The deductible rating formula must accommodate the currently filed and approved NCCI ELPPFs. In the case where the ELPPFs filed with the large deductible rating plan are not consistent with the NCCI filed values, support for the proposed values will have to be provided.
4. The Bureau of Insurance considers the following elements when reviewing a workers' compensation large deductible filing:
 - a) Completeness
 - b) Soundness of actuarial rate making methodologies (particular values proposed in the filing are addressed in items c and d below).
 - c) As respects the loss and loss adjustment expense (allocated and unallocated) provisions of the filing.
 - i) Consistency of proposed loss and loss adjustment expense rating factors with approved Virginia rating factors from NCCI filings.
 - ii) Support for proposed loss and loss adjustment expense rating factors, which are deviations from, approved Virginia rating factors from NCCI filings.
 - d) As respects the expense and underwriting profit provisions of the filing.
 - i) Consistency of proposed expense and underwriting profit provisions in the deductible program filing with the expense and underwriting profit provisions in the company's loss cost multiplier filing.
 - ii) Support for proposed expense and underwriting profit provisions, which are not consistent with the expense, and underwriting profit provisions in the loss cost multiplier filing.

EXHIBIT III

WORKERS' COMPENSATION LARGE DEDUCTIBLE PLANS FILING INSTRUCTIONS, continued

- e) Reference to judgment rating or ranges of factors is not permissible in Virginia. Specific values/factors must be filed.
- 5. A copy of the forms sent to the Workers' Compensation Commission must be filed for informational purposes with the deductible plan. This is necessary to determine consistency between the filed plan and proposed forms.

Note: Some large deductible plans may be exempt from filing requirements pursuant to Virginia Code § [38.2-1903](#).

EXHIBIT IV

PRIVATE PASSENGER AUTOMOBILE STANDARD FORMS

Collateral Protection Insurance Policy and Endorsements

| <u>Form Number</u> | <u>Edition Date</u> | <u>Title of Endorsement</u> |
|--------------------|---------------------|--|
| CPPD-VA 1 | 11/79 | Master Policy Declarations |
| CPPD-VA 2 | 11/79 | Master Policy (Collateral Protection Physical Damage) |
| CPPD-VA 3 | 11/79 | Individual Policy Certificate Declarations |
| CPPD-VA 4 | 11/79 | Individual Policy Certificate |
| CPPD-VA 5 | 11/79 | Blanket Policy Declarations |
| CPPD-VA 6 | 11/79 | Blanket Policy (Collateral Protection Physical Damage) |
| CPPD-VA 11 | 11/79 | Automatic Protection |
| CPPD-VA 12 | 11/79 | Errors and Omissions |
| CPPD-VA 13 | 11/79 | Conversion, Secretion, Embezzlement |
| CPPD-VA 14 | 11/79 | Mechanics Lien Reimbursement |
| CPPD-VA 15 | 11/79 | Repossession and Return Expense Reimbursement |
| CPPD-VA 16 | 11/79 | Repossession Storage Expense Reimbursement |
| CPPD-VA 17 | 11/79 | Repossessed Property |
| CPPD-VA 18 | 11/79 | Instrument Nonfiling |
| CPPD-VA 19 | 11/79 | Instrument Nonfiling Errors and Omissions |
| CPPD-VA 20 | 11/79 | Assumption of Coverage |
| CPPD-VA 21 | 11/79 | Holder in Due Course |
| CPPD-VA 22 | 11/79 | Blanket Waiver |
| CPPD-VA 23 | 11/79 | Specific Waiver |
| CPPD-VA 24 | 11/79 | Worldwide Protection |

EXHIBIT IV

PRIVATE PASSENGER AUTOMOBILE STANDARD FORMS, continued

Mechanical Breakdown Insurance Policy and Endorsements

| <u>Form Number</u> | <u>Edition Date</u> | <u>Title of Endorsement</u> |
|--------------------|---------------------|--|
| VA-MB-1a | 4/89 | New Car Mechanical Breakdown Insurance Policy |
| VA-MB-2a | 4/89 | Used Car Mechanical Breakdown Insurance Policy |
| VA-MB-3 5/86 | | Towing Endorsement |
| VA-MB-4 | 5/86 | Used Car Rental Reimbursement Endorsement |