

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

AT RICHMOND, January 22, 1993

ADMINISTRATIVE ORDER NO. 10208

ORDER CONTINUING, AND AMENDING THE ELIGIBILITY
CRITERIA FOR, THE SUSPENSION OF THE REQUIREMENT OF
FILING CERTAIN RATES FOR WRITING EXCESS AUTOMOBILE
LIABILITY INSURANCE AND EXCESS GENERAL LIABILITY
INSURANCE UNDER THE PROVISIONS OF SECTION 38.2-1903 OF
THE CODE OF VIRGINIA.

WHEREAS, It appearing to the Commissioner of Insurance that the suspension of the requirement of filing rates for writing excess automobile liability insurance and excess general liability insurance as provided by Administrative Order 6845 entered April 25, 1974 is appropriate and should be continued, but that the criteria for eligibility for the exemption from filing requirements do not reflect current liability insurance market conditions;

IT IS, THEREFORE,
ORDERED:

1. That Administrative Order No. 6845 is hereby withdrawn, and the requirement of filing manuals of classifications, rules and rates, and rating plans for writing excess automobile liability insurance and excess general liability insurance in this Commonwealth, as provided in Chapter 19 of Title 38.2 of the Code of Virginia, is hereby suspended under the provisions of Section 38.2-1903, by the entry of this order, when such insurance meets the requirements of the following definitions:

The term "excess insurance" shall mean liability insurance which applies on an excess basis above:

(A) For commercial risks,

- (1) underlying insurance limits of at least \$350,000 each occurrence for bodily injury and property damage liability combined as respects any existing owned automobile liability exposures, premises/ operations and products/completed operations general liability exposures, and professional liability exposures, with or without a self-insured retention; or,

- (2) as respects liability, exposures other than excess workers' compensation, where no underlying insurance policies apply, a self-insured retention of at least \$500,000; or,
- (3) as respects excess workers' compensation exposures, a self-insured retention of at least \$150,000.

(B) For personal risks (including business pursuits or business remises for which underlying insurance is provided by homeowners, farmowners, or comprehensive personal liability policies), underlying automobile liability insurance limits of not less than \$100,000 each person and \$300,000 each occurrence as respects bodily injury liability and \$50,000 each occurrence as respects property damage liability, or a combined single limit of not less than \$350,000 each occurrence; and underlying personal liability limits as respects exposures related to residence premises (including farm property) and to owned watercraft of at least \$100,000 each occurrence.

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

AN ATTESTED COPY hereof shall be sent to every rate service organization and insurance company licensed in this Commonwealth for automobile liability insurance and general liability insurance; and, to the Bureau of Insurance c/o Mary M. Bannister, Deputy Commissioner.

William J. Bridge
Clerk of the State Corporation Commission