

# COMMONWEALTH OF VIRGINIA



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## STATE CORPORATION COMMISSION BUREAU OF INSURANCE

February 19, 1982

ADMINISTRATIVE  
LETTER 1982-3

TO: ALL COMPANIES LICENSED TO WRITE FIRE AND/OR  
HOMEOWNERS INSURANCE IN VIRGINIA

RE: Regulation 17 and the Commission's Order entered  
May 19, 1981 in Case No. INS800067  
Minimum Standards for Coverage Content of Fire  
and Homeowner Insurance Policies

Because it appears that many companies do not fully understand the impact of Regulation 17 on rule, rate and form filings, feel it necessary to provide you with clarification.

Regulation 17 and the Commission's Order entered May 19, 1981 required that all policy forms or endorsements be filed for approval by October 1, 1981, along with a company certification that each policy form or endorsement was not less favorable than the minimum standards. In addition, no policy or endorsement could be renewed, delivered or issued on or after February 1, 1982 unless it had been approved by the Commission and was not less favorable than the minimum standards set forth in Regulation 17.

Therefore, any forms or endorsements previously approved that contain no certification and that were not filed in response to the requirements of Regulation 17 are not forms or endorsements which may be used on new and renewal business effective February 1, 1982, and subsequent. Instead, these forms and endorsements must be refiled for approval, accompanied by a certification of compliance with Regulation 17.

Because most of the forms we have received from rate service organizations and individual companies were in a readable form, new manuals of rules and rates were also necessary effective February 1, 1982. The refiled of a complete manual is accomplished in one of two ways:

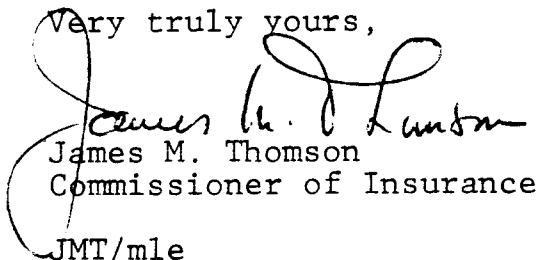
1. A company may independently file its own manual of rules and rates; or
2. The company may adopt a rate service organization's reference filing which comprises a complete manual. In this instance, any previously filed exceptions would no longer apply until such time as they are resubmitted to us.

We are concerned about what manuals companies are using since we have not received many filings which would bring the existing manuals of rules and rates in line with the new forms required by Regulation 17.

Considering the foregoing, the company should forthwith review its manuals of rules and rates and its policy forms and endorsements to ensure that all of its filings in Virginia for Fire Insurance and for Homeowners Insurance are in order. If any of said filings are found not in order, appropriate filings to correct the situation should be made immediately.

The company is hereby reminded that each new or renewal policy or endorsement of Fire Insurance and Homeowners Insurance effective on or after February 1, 1982 that is not in compliance with Regulation 17 and that has not been approved by the Commission is a violation of the Virginia Insurance Code, and subjects the company to monetary and other penalties as provided by statute.

Very truly yours,

  
James M. Thomson  
Commissioner of Insurance

JMT/mle