

VIRGINIA

PROPERTY

&

CASUALTY

FILING GUIDELINES

HANDBOOK

June 2015 Edition

**VIRGINIA PROPERTY AND CASUALTY
FILING GUIDELINES HANDBOOK
Updated June 2015**

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 on the Bureau of Insurance website. 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://eapps.naic.org/prl/do/search/home>.

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Contents

I. GENERAL FILING REQUIREMENTS FOR RULES, RATES AND FORMS	6
A. Submission of Filings.....	6
B. Filings Must be Submitted by Line or Program of Insurance.....	6
C. Cover Letter, Copies, Group Filings, and Return Envelopes (Paper Filings)	6
D. Forms Lists.....	6
E. Replaced or Withdrawn Materials.....	6
F. Contact Information.....	6
G. Effective Date Requests	6
H. Informational Filings Not Accepted.....	7
I. Individual Risk Submissions Not Accepted.....	7
J. Third-Party Filers.....	7
K. NAIC Numbers Required.....	7
L. Virginia Filing Checklists.....	7
M. NAIC Insurance Product Requirements Locator (PRL)	8
N. Interline Filings.....	8
O. Risk Purchasing Groups	8
P. Enabling Rule.....	8
II. FILING REQUIREMENTS FOR RULES AND RATES	9
A. File and Use Filings - Chapter 19 (§ 38.2-1900 et seq.) of Title 38.2	9
B. File and Use Rate/Rule Filings - Rate Standards Certification Form COF-1 \.....	10
C. Delayed-Effect Rate Filings - § 38.2-1912 of the Code of Virginia.....	10
D. Prior-Approval Rate Filings - Chapter 20 (§ 38.2-2000 et seq.) of Title 38.2	10
E. Birth Injury Fund Credits - Chapter 50 (§ 38.2-5000 et seq.) of Title 38.2	11
F. Excess Rates for Specific Risks.....	11
G. Rate Service Organizations (RSOs) – Rule Filings.....	11
H. Delay or Non-Adoption of Rate Service Organization’s Filings (other than Workers’ Compensation)	12
I. Rate Service Organization Advisory Filings.....	12
J. Delay or Non-Adoption of National Counsel of Compensation Insurance (NCCI) Filings (Workers Compensation)	12

K. Loss Costs Multipliers, Adoption, Non-Adoption, and Modification Filings - Other Than Workers' Compensation	12
L. Loss Costs Multiplier Filings and Rule Filings - Workers' Compensation.....	12
M. Workers' Compensation Deductible Plans	13
N. Workers' Compensation Drug-Free Workplace Premium Credits.....	13
O. Workers' Compensation Waiver of Right to Subrogation Rules.....	13
P. Claims-Made Rates.....	13
Q. Credit Property Insurance and Credit Involuntary Unemployment Insurance (IUI)	14
R. 36-Month Experience Period for Accidents Does Not Apply to Commercial Auto Policies .	14
S. Interpolation Rule, Formulas and Rounding rules.....	14
T. Installment Payment Plans, Other Fees Charged by Insurers	14
U. Ranges of Rates Prohibited.....	15
V. "Refer to Company References" As Substitutes for Rates	15
W. Endorsement Rules and Cross Reference Rules	15
X. Tiered Pricing Plans.....	15
Y. Credit Scoring Used in Rating or Tiering (Personal Lines)	16
Z. Credit Scoring Models (Commercial Lines Other than Workers' Compensation)	16
AA. Credit Scoring Models (Workers' Compensation)	16
BB. Rating Plans – Other than Workers' Compensation	16
CC. Facultative Reinsurance.....	17
DD. Waiver of Premium Rules	17
EE. Rules and Rates Exempt From Filing Requirements.....	17
FF. Price Optimization.....	17
III. FILING REQUIREMENTS FOR POLICY FORMS AND ENDORSEMENTS.....	18
A. Change Endorsements, Notices, Declarations	19
B. Applications	19
C. Rate Service Organizations (RSOs)	20
D. Independent Form Filings	20
E. Property Insurance Form Filings; Statutory Fire Insurance Policy	20
F. Automobile (Motor Vehicle) Insurance Form Filings.....	22
G. Credit Property Insurance and Credit Involuntary Unemployment Insurance	23
H. Uninsured Boaters Insurance (Mandatory Offer of Coverage)	23

I. Liability Insurance Form Filings	24
J. Miscellaneous Casualty Insurance.....	25
K. Binding Arbitration Conditions Prohibited; Binding Appraisal Conditions Required.....	26
L. Fraud Notices	26
M. Forms Exempted From Filing Requirements by Administrative Order.....	26
IV. SIGNIFICANT STATUTORY REFERENCES IN TITLE 38.2 OF THE CODE OF VIRGINIA FOR RULE, RATE, AND FORM FILINGS	26
V. STATISTICAL AGENT REPORT FORM.....	27
VI. INDEX OF EXHIBITS	28
EXHIBIT I – Administrative Letters.....	29
EXHIBIT II – Workers’ Compensation Large Deductible Plans Filing Instructions	31
EXHIBIT III - Collateral Protection Insurance Policy and Endorsements	33
EXHIBIT IV - Mechanical Breakdown Insurance Policy and Endorsements	34

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-specific 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.

The SERFF General Instructions contain helpful information regarding submissions.

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

Filings (other than installment payment plans, retrospective and composite rating plans, and acceptable interline filings) 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 responses 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 not required for most lines of insurance. They are, however, required for personal auto and rate service organization filings.

E. Replaced or Withdrawn Materials

All filings that include forms, 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 via a Post Submission Update provided the change is made prior to the initial requested effective date.

H. Informational Filings Not Accepted

The Bureau does not, generally, accept filings submitted on an informational basis. Insurers are discouraged from submitting informational filings.

I. Individual Risk Submissions Not Accepted

The Bureau 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

Access to Virginia's NAIC Product Review Checklists is available in SERFF or on the Bureau's website. 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 (PRL)

Virginia product requirements may be accessed from the Bureau's website. The PRLs are periodically updated to provide the latest information regarding filing requirements. [Note: Effective July 1, 2015, the hyperlinks to statutes in the PRLs will not function. In order to access a statute, use <http://law.lis.virginia.gov/vacode/title38.2/>. Scroll to the applicable Chapter, click, and then scroll to the statute.]

N. Interline Filings

Generally, the Bureau will accept the following types of interline (IL) filings:

- 1) A form or endorsement that applies across types of insurance (TOIs) and/or products. Examples of acceptable interline forms or endorsements are ISO's Common Policy Conditions, reciprocal provisions, and additional coverage, conditions, or exclusions such as mutual policy conditions, cancellation conditions, asbestos exclusions, name change endorsements, etc. These endorsements must be issued *without* premium consideration.
- 2) Certain types of supplementary rate information such as classifications, territories, rating plans, or installment payment plans/premium payment plans (including the fees associated with such plans) when the submission's contents are exactly the same for all of the TOIs/sub-TOIs or programs to which the filing applies. The Bureau will not accept IL filings that include rates or that have a rating impact (other than the filings noted in this item).

Interline filings must include a complete list of the TOIs, sub-TOIs, and/or programs to which the submission applies.

Submissions that do not meet ALL of the eligibility requirements for an IL filing must be submitted separately by line of insurance and by program. For example, if monoline rules or rates are included in an IL submission, the Bureau will reject the submission and the insurer will be instructed to file the rules or rates by line.

O. Risk Purchasing Groups

Unless the risk purchasing group is domiciled in Virginia, the Bureau has no jurisdiction over the program and filings should not be made in Virginia.

P. Enabling Rule

Insurers are permitted to file "enabling rules" in order to use materials currently on file or approved for the insurer in another program. An enabling rule is, essentially, a statement that indicates that one program will rely on materials from another program. An enabling rule can reference an entire program or specific parts of another program. If any materials from another program are used to amend rules or forms, the insurer must determine that the materials must properly track with the other program.

II. FILING REQUIREMENTS FOR RULES AND RATES

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

If any corrections are necessary prior to acceptance, they will be requested upon completion of the review. An expected response date will be specified in the correspondence. Lack of a response by the due date may result in a request to withdraw the filing.

Resubmissions of disapproved/returned to company filings

Disapproved submissions can be re-opened if the corrections are provided within one year from the date of disapproval. Only the corrected items are required to be submitted, since the rejected materials will be retained in our files for one year. The amended SERFF Rate Schedule must clearly indicate which materials are being added, replaced or withdrawn.

Resubmissions of paper filings and/or requests to reopen a disapproved SERFF submission should be directed to the attention of the examiner that handled the filing. For SERFF submissions, the preferred method to request that a filing be reopened is for the filer to send a Note to Reviewer.

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.

Note: Paper resubmissions must reference the SERFF tracking number assigned by the Bureau.

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/Loss Cost Certification Form, COF-1 (05/05). A copy is attached to the letter. It 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](#). A COF-1 form is not required for the following filings:

- minimum premiums
- installment plans
- NSF check fees/returned check charges
- rules for non-premium-bearing endorsements
- policy term rules
- rounding rules
- waiver-of-premium rules
- withdrawal of a rule or rate
- changing the block checked in item 1 of the loss cost adoption form (either future to current OR current to future), and no other changes are made
- non-adoption, adoption, or delay of rate service organization materials
- interpolation rules

Before submitting the COF-1 form, review it closely to make sure that all items are completed, block 1, 2 or 3 has been checked, and the form has been signed by a qualified individual. Insurers can elect to send a separate COF-1 form for each company referenced in the filing or one COF-1 form that lists all of the companies referenced in the filing.

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 the rates charged for (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 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. If an incorrect application is received requesting an excess rate, the company will be given an opportunity to correct without change to the requested effective date. However, a corrected application signed by the insured must be obtained and submitted to the Bureau.

G. Rate Service Organizations (RSOs) – Rule Filings

Insurers that have authorized 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.

When an insurer has filed an exception to an RSO rule and the RSO makes a filing to amend that rule, it is the insurer's responsibility to ensure that the exception continues to track with the RSO's materials. If the exception is no longer valid or does not track, a filing must be made to withdraw or correct the exception. Such revisions must be submitted prior to the RSO's effective date. If the company has filed to delay implementation of the RSO filing, the company's amendment must be made prior to the revised effective date.

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. Rate Service Organization Advisory Filings

Administrative Letter [2011-7](#) allows RSOs to submit advisory filings. An advisory filing is an RSO submission that is not filed on behalf of any insurers. In order for a participating insurer to use an advisory RSO filing, the insurer must take specific and necessary actions, which are outlined in the administrative letter.

J. 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 Commission's Order.

K. 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 PDF format in SERFF and also on the Bureau's website. A properly completed PC IRF form must refer to the appropriate loss costs reference filing designation number. Administrative Letter [2006-16](#) also includes links to the loss cost adoption forms on the NAIC website.

Even though the rules/rates for these general liability classifications are exempt from filing requirements per Administrative Order [11888](#), ISO's Estimated Loss Potentials (ELPs) are submitted to the Bureau as informational. Please note: Insurers should NOT submit loss cost adoption forms or submit filings to adopt or delay implementation of ELPs submissions.

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

Administrative Letter [2010-05](#) 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 PDF format in SERFF and on the Bureau's website. The WCLC-VA form also includes instructions for filing rate-related rules for workers' compensation insurance.

Workers' compensation loss cost adoption submissions must include the Rate/Loss Cost Certification Form, COF-1 (05/05), which is attached to Administrative Letter [2005-01](#). The COF-1 form is also available in interactive PDF format in SERFF and on the Bureau's website.

M. 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).

N. 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.

O. Workers' Compensation Waiver of Right to Subrogation Rules

NCCI does not file a premium charge for Waiver of our Right to Recover (i.e., 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.

P. Claims-Made Rates

Claims-made rates may include maturity step factors if the policy includes a retroactive date or similar limitation. However, step factors are not required.

Extended reporting period rates for commercial general liability (premises/operations, products/completed/operations, etc.) are exempt from filing requirements by Administrative Order [11888](#).

Please note: When a claims-made coverage is added by endorsement to a general liability policy, the rate charged for the extended reporting period is also subject to the exemption provisions of Administrative Order [11888](#).

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

Refer to [Chapter 20](#) of Title 38.2 of the Code of Virginia. Credit property insurance and credit involuntary unemployment insurance (IUI) rates are regulated under the “prior approval” provisions of this chapter. All rate filings must comply with a loss ratio standard of at least 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](#) for additional details.

R. 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.

S. Interpolation Rule, Formulas and Rounding rules

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

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.

If an installment payment plan is applicable to more than one line or program, it should be submitted in an Interline submission (see item N in Section I above). 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.

The Bureau will not accept submissions from insurers that propose to offer installment payment plans for use with residual market programs or charge any other fees pertaining to a residual market (assigned risk) policy.

U. Ranges of Rates Prohibited

[Section 38.2-1904.C](#) of the Code of Virginia requires 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" references and filing requirements are addressed in Administrative Letter [1985-11](#). Rates developed pursuant to such rules must be filed with the Bureau prior to use. RSO manuals may include “refer to company” references. However, insurers are required to file the related rule and associated rates in order to satisfy the filing requirements of Chapter 19 and/or Chapter 20 of Title 38.2 of the Code of Virginia.

Insurers are required to file any associated rule(s) and rates for use with their independently approved coverage forms. The insurers’ filed rule(s) and associated rates cannot include a “refer to company” reference for the rating.

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 an RSO, or to Virginia standard automobile forms, a cross-reference list is required. The list must show the company form number and edition date and the coordinating RSO or Virginia standard automobile form number and edition date. The list is considered supplementary rate information and should be submitted on the Rate/Rule Schedule in SERFF.

A cross-reference list must be updated as needed.

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-evaluate the tier criteria for each risk at least once every three years. However, with regard to convictions of violations or at-fault accidents, insurers must re-evaluate more frequently to ensure compliance with [§ 38.2-1904 D](#) and must re-evaluate as frequently as necessary to ensure compliance with [§§ 38.2-2126](#) and [38.2-2234](#). The filed rule must reflect the re-evaluation requirements.

The company's underwriting guidelines are not required to be filed. The underwriting guidelines determine the risks that the company is willing to write (i.e., risk selection) as opposed to how such risks will be rated or priced once the decision to write the risk has been made.

For personal auto 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 scoring used in relation to personal automobile insurance.

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 for all lines of insurance when a scoring model is used for rating.

Z. Credit Scoring Models (Commercial Lines Other than Workers’ Compensation)

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

AA. Credit Scoring Models (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](#) simplifies and clarifies filing requirements applicable to schedule rating plans (also includes individual risk premium modification plans), expense modification plans, and experience rating plans. A sample of a typical schedule rating plan is provided as an attachment to the administrative letter.

Companies are not required to file:
the maximum debit/credit use for the schedule rating plan,
a rule requiring documentation (although companies are expected to retain internal

documentation), or how their debits and credits are tallied/applied/combined.

Loss history or loss experience may not be included in a schedule rating plan. If information from a financial rating bureau, such as a Dunn & Bradstreet score, is used as part of a schedule rating plan, the rating model must be filed.

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. Facultative Reinsurance

Administrative Letter [2006-15](#) permits insurers to file rating plans that allow up to 100% of the cost of facultative reinsurance to be passed along to policyholders. The amount that will be passed along to the policyholder (i.e., the percentage of the cost) must be filed.

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. If an insurer elects to file exempted rules and rates, the rules and rates become filed and must be used without exception.

Refer to the administrative orders listed on the Bureau's [webpage](#) 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.

FF. Price Optimization

Price optimization has generally been defined as the practice of gathering and analyzing data related to characteristics specific to a particular policyholder to predict behaviors unrelated to risk of loss or expenses, such as how much of a premium increase an individual policyholder will tolerate before shopping for coverage with other carriers.

Section [§ 38.2-1904](#) of the Code of Virginia requires that differences in rates charged to risks

with similar risk characteristics and the same coverage must be based on differences between expected losses or expenses.

Setting rates or modifying filed rates based on characteristics unrelated to expected losses or expenses (i.e., price optimization as described above) violates the provisions of [§ 38.2-1904](#) of the Code of Virginia and is not permitted in 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 - 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 policy forms and endorsements - 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.
- Workers' compensation and employers' liability forms - 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.
- Surety pursuant to the provisions of [§ 38.2-1902](#).
- Aircraft hulls and aircraft liability pursuant to the provisions of [§ 38.2-1902](#).
- Forms specifically exempted from filing requirements by administrative order.
- Forms for insuring large commercial risks pursuant to the provisions of [§ 38.2-1903.1](#). Forms subject to the provisions of [§ 38.2-317 F](#).

Policy form or endorsement filings will be reviewed and either approved or disapproved within 30 days of the receipt of the filing. In order to provide a complete review, the Bureau may need to extend the review period for an additional 30 days. The filer will be notified in writing. Once the review has been completed, the filer will be advised of all objections. If the filing is disapproved, the filer will be given instructions for resubmission.

Disapproved submissions can be re-opened if the corrections are provided within one year from the date of disapproval. Only the corrected items are required to be submitted, since the rejected materials will be retained in our files for one year.

Disapproved SERFF form filings may be re-opened by sending a "Note to Reviewer." The Form Schedule must clearly indicate which materials are being added, replaced or withdrawn.

If a disapproved submission is re-submitted, the filer must 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.

[§ 38.2-305.A.6](#) requires insurers must list all policy forms and endorsements including the form numbers and edition dates that are applicable to the new business or renewal policy on each declarations page. Insurers using a unique identifier number for each form in lieu of edition dates are only required to place the unique number on the declaration's page. This change does not require the listing of the name of the form, notices, or other pieces of correspondence sent to the insured. See [§ 38.2-305](#) of the Code of Virginia.

[§ 38.2-2129](#) requires insurers issuing new or renewal policies of fire insurance or fire insurance in combination with other insurance that exclude coverage for damage caused by earthquake to provide a written notice that explicitly states "earthquake coverage is excluded unless purchased by endorsement." The notice must also state that information regarding earthquake coverage is available from the insurer or agent IF earthquake coverage is otherwise available from the insurer. Insurers may use notices that unambiguously set forth the information required by the law even if the language of the notice is not in the precise language of the law change. This notice requirement does not apply to surplus lines policies or mutual assessment fire policies.

A. Change Endorsements, Notices, Declarations

Notices, disclosures, schedules, certificates of insurance and blank endorsements for making clerical changes should not be submitted. Declarations that have no terms and conditions should also not be submitted.

Manuscript forms and endorsements for all commercial property and casualty insurance products with the exception of workers compensation insurance policies are exempt from the filing requirements of [§ 38.2-317](#) under Administrative Order [11936](#) provided (i) they are written on a particular risk, (ii) broaden coverage or policy provisions contained in the basic contract to which forms or endorsements are to be attached and (iii) are used infrequently and cannot practicably be filed prior to use. The forms can be used no more than four times in a twelve month period. In determining the number of times the manuscript form or endorsement has been used: (a) insurers are permitted to use the same conditions in the manuscript endorsement for one particular risk that has multiple commercial insurance policies and count the form as only being used one time; and (b) use the same conditions in the manuscript form or endorsement on the insured's subsequent renewals and not count the form used in the renewal.

Note the corresponding rates and supplementary rate information for the manuscript form are also exempt under Administrative Order [11936](#). However once the manuscript form is filed, the applicable rules and rates must also be filed.

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."

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 the building will be repaired or replaced in accordance with applicable ordinances or laws that regulate construction, repair, or demolition. The statute does contemplate exclusions under this coverage. If insurers elect to exclude pollution coverage under Ordinance or Law, they also need to make an offer of this coverage that does not exclude pollution. The endorsement that provides ordinance or law without the pollution exclusion must be submitted for review and approval. The rate charged for the pollution coverage for ordinance or law is exempt from filing requirements.

Ordinance or Law must be offered up to the building limit for both demolition and increased costs of construction. Other limits may also be offered. 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.

Volunteer Fire Department Service Charges

Effective July 1, 2012, fire insurance policies and fire insurance policies in combination with other coverages must provide at least \$250 of coverage for the costs of services by volunteer fire departments that are not fully funded by real estate taxes or other property taxes. This coverage cannot be restricted by provisions requiring the coverage to be assumed by contract or agreement prior to the loss or required by local ordinance. This requirement does not apply

to surplus lines policies or mutual assessment fire policies. See [§ 38.2-2130](#) and Administrative Letter [2012-6](#).

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 auto insurance. 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. Therefore, it is not necessary for the insurer to physically file standard automobile forms for review or approval. 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.

[Section 38.2-2223](#) of the Code of Virginia establishes that insurers may submit endorsements containing additional provisions, other than those in the standard form, or coverages more favorable than those in the standard form for the Bureau's review and approval. However, all such endorsements must provide more favorable coverage than provided by the standard forms. Any such endorsements are subject to the provisions of [§ 38.2-317](#) of the Code of Virginia.

Standard automobile forms are required to be used by all insurers licensed to write motor vehicle insurance in Virginia. 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.

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 [2015-06](#) for additional 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 automobile insurance policies.

Commercial Lines Automobile Coverage

Refer to the Bureau's webpage for a list of the current [commercial auto standard forms](#).

Personal Lines Automobile Coverage

Refer to the Bureau's webpage for a list of the current [personal auto standard forms](#).

Rating Information Statement

Refer to [§ 38.2-2214](#) of the Code of Virginia. This statute requires insurers to file a rating information statement for use with all personal auto programs.

Rating information statement filings are acknowledged as “filed”.

G. Credit Property Insurance and Credit Involuntary Unemployment Insurance

Refer to [§ 38.2-233](#) of the Code of Virginia and Administrative Letter [2000-8](#) (Chapter 526; former House Bill 716).

[Section 38.2-233](#) sets forth the requirements applicable to credit property insurance and credit involuntary unemployment insurance. Administrative Letter [2000-08](#) explains law changes applicable to these lines of insurance.

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

The disclosure requirements of [§ 38.2-233](#) 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. Uninsured boaters insurance coverage must include bodily injury and property damage coverage. Insurers must offer limits of liability for uninsured boaters coverage that are equal to the limits of liability insurance coverage provided by the policy. 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 an offer of uninsured boaters 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.

Subsection B of [§ 38.2-2204](#) states, "Notwithstanding any requirements in this section 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." Therefore, named driver exclusions are permitted in personal umbrella or excess policies if the insurer adheres to the requirements outlined in the statute. It is important to note that these requirements do not apply to commercial umbrella or excess policies.

Post-Judgment Interest

Post-judgment interest is extra contractual and is not required to be covered by the policy. However court decisions in Virginia have determined that if this coverage is provided, it must be paid in addition to the policy limits. In addition, policies may not apply deductibles 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.

The claims-made regulation does **not** apply to claims made endorsements that amend an occurrence liability contract. The coverage provided by the endorsement is considered incidental to the coverage provided in an occurrence liability policy and is not subject to the claims made regulation.

Refer to [14 VAC 5-335-10](#) et seq. for notice requirements and additional details.

J. Miscellaneous Casualty Insurance

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. The provisions of [§ 38.2-231](#) are required for *all* policies providing miscellaneous casualty insurance. In addition, most miscellaneous casualty insurance policies are subject to the provisions of [§ 38.2-2200](#) of the Code of Virginia pertaining to insolvency, bankruptcy, and unsatisfied judgments. However, the provisions of [§ 38.2-2200](#) are *not* required when the coverage being provided is not liability coverage.

If miscellaneous casualty insurance coverage is written on a claims-made basis, the requirements of the Virginia claims-made regulation (see [14 VAC 5-335-10](#) et seq.) apply.

Insurers are permitted to include incidental coverage for medical, hospital, surgical and funeral expenses arising out of the death, dismemberment, sickness or injury of any person and death and dismemberment benefits in the event of death or dismemberment if the death, dismemberment, sickness, or injury when these events are specifically related to a cause of loss

insured under the policy. For example, travel insurance policies that include trip interruption or trip cancellation coverage may also contain accident/sickness coverages within the same policy.

K. Binding Arbitration Conditions Prohibited; Binding Appraisal Conditions Required

[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 conditions in a policy contract. Administrative Letter [1998-12](#) **applies to** binding arbitration conditions in policies.

In 2014, the Bureau's position regarding binding appraisal conditions was amended to reflect that appraisal conditions are binding. Refer to the SERFF General Instructions for a copy of the Bureau's August 29, 2014 correspondence.

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

The Bureau of Insurance [website](#) 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 [2015-03](#) Filing Procedures for Compliance with the Provisions of the Terrorism Risk Insurance Program Reauthorization Act of 2015

Administrative Letter [2012-07](#)- Certificates of Insurance

i

Administrative Letter [2012-03](#)- Implementation of Search Options for Rate and Form Submissions and establishment of additional filing requirement

Administrative Letter [2011-07](#)- Rate service organization advisory filings

Administrative Letter [2011-03](#)- Amendment to § [8.01-581.15](#) of the Code of VA – notice may be required by § [38.2-231](#) when insurer increases the policy's liability limits

Administrative Letter [2011-02](#)- Notice concerning certificates of insurance

Administrative Letter [2010-07](#)- Request for Trade Secret Protection of rates and supplementary rate information

Administrative Letter [2010-05](#)- Revised form WCLC VA insurer expense multiplier filings, related rules and tiered rating and withdrawal of Administrative Letter 2005-03.

Administrative Letter [2008-06](#)- Withdrawal of Administrative Letter 1995-06

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 [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 [2005-03](#) – Workers' Compensation Expense Multipliers and Related Rules (withdrawn by Administrative Letter [2010-5](#))

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

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

Administrative Letter [1998-12](#) – Binding Arbitration Provisions in Insurance Contracts (Note: Refer to the SERFF General Instructions for additional information pertaining to appraisal conditions in insurance contracts.)

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

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

EXHIBIT II – 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 II – 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 III - 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

EXHIBIT IV - 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