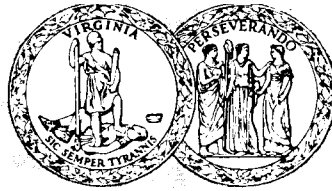


JOHN G. DAY  
COMMISSIONER OF INSURANCE

JAMES W. NEWMAN  
DEPUTY COMMISSIONER OF INSURANCE



BOX 1157  
RICHMOND, VA. 23  
TELEPHONE (804) 786

STATE CORPORATION COMMISSION  
BUREAU OF INSURANCE

July 26, 1977

1977-14

TO: THE PRESIDENT OF THE INSURER ADDRESSED

CO:

RE: Assignment of Driving Record Points

IMMEDIATE ACTION REQUIRED

By letter dated May 9, 1977, identified as 1977-7, I addressed this Company and all other Companies licensed to write Motor Vehicle Insurance in Virginia, concerning the Assignment of Driving Record Points, as follows:

Section 38.1-279.33 of the Code of Virginia provides that "...An insurer shall not charge points under the Safe Driver Insurance Plan to its insured as a result of a motor vehicle accident unless the accident was caused in whole or in part by the fault of its insured." (emphasis supplied)

As set forth in my letter concerning this subject dated May 9, 1975, the term "Safe Driver Insurance Plan," includes all rating plans, by whatever name, including those utilized by the Virginia Automobile Insurance Plan, where the premium for a policy is either increased or decreased due to a motor vehicle accident.

In reviewing a number of the "Safe Driver Insurance Plans" filed with this office, it has been discovered that many articulate when a point will be charged in terms of various types of accidents or criteria that may not necessarily be limited to "fault." Since the statute is explicit on this point, a statement regarding fault must be included in each such Plan filed with this office.

Accordingly, each company licensed to write motor vehicle insurance in Virginia is directed to advise this office, in writing, whether or not it utilizes a "Safe Driver Insurance Plan" in rating its Virginia insureds.

To The President  
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July 26, 1977

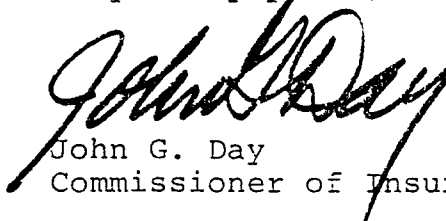
Further, each company that does utilize such a Plan is directed to review its Plan regarding "fault of the insured," and to file changes therein, as appropriate. If the company determines that such a change is not required, this office must be advised of the reason(s) therefor. The information requested herein, and in the preceding paragraph, must be received in this office no later than June 15, 1977.

NOTE: ISO has submitted amendments to the Safe Driver Insurance Plans contained in the Reference Documents PP-77-RA-1 and PP-77-RA-PD-1 (Physical Damage only) to include the required "fault" statement as Reference Documents PP-77-RA-4 and PP-77-RA-PD-4, respectively.

Records in this office indicate that this Company has not advised, in writing, whether or not it utilizes a Safe Driver Insurance Plan, and/or if this Company does utilize such a Plan, an appropriate filing of changes as required has not been submitted or the Company has not advised concerning the reason it feels such a change is not required.

Should the required information, and filing, if appropriate, not be received in this office on or before August 9, 1977, appropriate action will be instituted against this Company pursuant to the provisions of §38.1-279.56 of the Code of Virginia.

Very truly yours,



John G. Day  
Commissioner of Insurance

JGD:dsc