

## Explanation

Administrative Order No. 11730 establishes certain new and revised standard automobile forms for use in writing personal automobile insurance in Virginia. The Insurance Services Office, Inc. (ISO) developed these forms and endorsements as part of its Personal Auto Policy program. The Bureau of Insurance adopted the ISO Personal Auto Policy form PP 00 01 06 98 and related endorsements as standard forms effective September 1, 2000. ISO filed a revision to the Personal Auto Policy form and most of the related endorsements and asked that the Bureau consider these forms for adoption as standard forms. In addition, ISO filed several new endorsements for consideration as standard forms to be used with the revised Personal Auto Policy form. Administrative Order No. 11730 adopts the ISO Personal Auto Policy form PP 00 01 01 05 as a new standard form which will replace form PP 00 01 06 98. Administrative Order No. 11730 also adopts the new and revised related endorsements as standard forms.

ISO has provided a Grant of Permission to the Bureau of Insurance which allows all insurers (whether affiliated with ISO or not) to use the Personal Auto Policy and the related endorsements without violating the ISO copyright. A copy of the Grant of Permission is attached to the administrative order and includes the list of forms to which it applies.

The following important implementation dates and requirements are specified in the administrative order:

- (1) Effective July 1, 2006, the forms listed in Administrative Order No. 11730 will become **available for use**;
- (2) Effective July 1, 2008, the ISO Personal Auto Policy (PAP) form and related endorsements will become the **only** personal automobile standard forms of policies and endorsements approved and available for use in Virginia; and
- (3) **All** insurers must adopt and implement the most current editions of the PAP policy form and related endorsements no later than July 1, 2008.

A complete list of **all** of the approved standard forms that will be available for use is provided in Attachment 1. The list shows the new form that is being approved by Administrative Order No. 11730 and if it is a revision, the form that it will replace. The list also includes nine endorsements (PP 02 02 08 86; PP 03 01 08 86; PP 03 05 08 86; PP 03 19 08 86; PP 03 27 06 00; PP 03 35 09 93; PP 13 52 01 04; PP 13 55 06 00; and PP 13 68 06 00) that were previously approved and will continue to be available for use with the new Personal Auto Policy form PP 00 01 01 05. These endorsements are noted with an asterisk in Attachment 1. Due to lack of use, one previously approved endorsement (PP 13 64 06 00 Participating Coverage for Damage to Your Auto – Virginia) is being withdrawn by Administrative Order No. 11730 and not replaced.

Insurers should note:

- (1) Insurers that previously adopted and implemented the 1998 PAP policy form and related endorsements may continue to use those forms until July 1, 2008.
- (2) In order to allow insurers ample time to adopt the new forms, Administrative Order No. 11730 includes a final implementation date (e.g., “must adopt”) date of July 1, 2008. Insurers may adopt the new and revised forms anytime between the “available for use” date of July 1, 2006 and the “must adopt” date of July 1, 2008.
- (3) Due to the length of time between the “available for use” date and the “must adopt” date, insurers should note that changes to the provisions of the standard forms may be needed as a result of new laws and/or amendments to respond to market conditions. Insurers will be notified of any future revisions.

In conjunction with Administrative Order No. 11730, the Bureau is also issuing Administrative Order No. 11731. This administrative order withdraws approval of the Family Automobile Policy (FAP), Special Package Automobile Policy (SPAP), Physical Damage Policy and all of the endorsements related to these policy forms. The effective date of Administrative Order No. 11731 is July 1, 2008. This means that for all policies effective on and after July 1, 2008, the FAP, SPAP, Physical Damage Policy and the related endorsements will no longer be available for use in Virginia. All insurers will need to adopt and implement the most current edition of the Personal Auto Policy form and related endorsements by July 1, 2008. Insurers should plan accordingly.

Copies of the Personal Auto Policy forms can be found on the Bureau of Insurance website at <http://www.scc.virginia.gov/division/boi/> or may be requested from the Bureau of Insurance by contacting:

Phyllis Oates, Senior Insurance Market Examiner  
Property and Casualty Division – Personal Lines Section  
Phone: (804) 371-9279; FAX: (804) 371-9396  
E-mail: [phyllis.oates@scc.virginia.gov](mailto:phyllis.oates@scc.virginia.gov)

ISO is advising its participating insurers by circular that the forms approved by Administrative Order No. 11730 will be available through the normal ISO distribution channels.

### Summary of Changes

ISO's participating insurers may track the changes via the circulars issued by ISO. Non-participating insurers may view the complete list of changes by viewing the ISO filing materials in the Bureau's offices.

However, insurers should carefully review the revised definition of "newly acquired auto" which appears in the Amendment of Policy Provisions – Virginia form PP 01 99 07 06. A brief summary of the revisions, which pertain to the type and duration of coverage provided for newly acquired autos, is as follows:

- (1) A "newly acquired auto" will have the broadest coverage now provided for any vehicle shown in the Declarations, as of the date the insured becomes the owner.
- (2) If the "newly acquired auto" is a replacement vehicle, any coverage provided, **except** Coverage for Damage to Your Auto, will continue until the end of the policy period or for 30 days, whichever is greater – the insured must ask to add or continue Coverage for Damage to Your Auto within 30 days after becoming the owner.
- (3) If the "newly acquired auto" is an additional vehicle, the insured must ask to add or continue **all** desired coverages within 30 days after becoming the owner.