

# COMMONWEALTH OF VIRGINIA

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## Administrative Letter 2003-03

**TO: All Insurers Licensed to Write Title Insurance in Virginia**

**RE: Practices that Constitute Unfair Discrimination by Title Insurance Companies**

Title insurance companies are exempt from the rate filing requirements in Chapter 19 of Title 38.2 of the Code of Virginia. However, § 38.2-4608 states that title insurance risk rates "shall not be unfairly discriminatory between risks involving essentially the same hazards and expense elements." In the context of ratemaking, "unfair discrimination" occurs when an insurer charges a different rate for the same coverage, and the rate differential is not based on sound actuarial principles or related to actual or reasonably anticipated experience. The Bureau has found that some companies are issuing new rates for use by certain appointed agents, while other appointed agents are continuing to sell policies using the old rates. This practice is unfairly discriminatory on its face since it is not based on sound actuarial principles or related to actual or reasonably anticipated experience.

Questions regarding this letter should be directed to Rebecca Nichols, CPCU, CIC, AIE, Principal Insurance Market Examiner, Property & Casualty Division - Personal Lines Forms & Rates Section, at (804) 371-9965 or by email at [rnichols@scc.state.va.us](mailto:rnichols@scc.state.va.us).

Sincerely,

Alfred W. Gross  
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