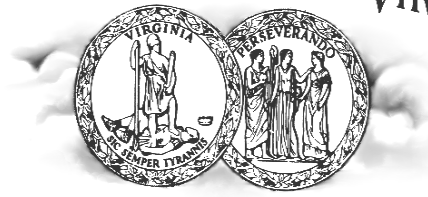


# COMMONWEALTH OF VIRGINIA

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April 8, 2025

## ADMINISTRATIVE LETTER 2025-01

**TO: All Insurers Licensed to Write Motor Vehicle Insurance in Virginia and All Interested Parties**

**RE: Requirements for Insurers Issuing Private Passenger Automobile Policies (Voluntary and Residual Market) under Subsection 38.2-1904 D and Section 38.2-1905 of the Code of Virginia**

Subsections 38.2-1904 D and 38.2-1905 A of the Code of Virginia address how insurance companies may apply points or increase premium due to an auto accident for which an insured was wholly or partially at fault or for motor vehicle convictions. This administrative letter summarizes prior guidance on the insurer's responsibility to support any increase in premium permitted by § 38.2-1905 (including any safe driver plan<sup>1</sup>) in one letter. **Consequently, the following Administrative Letters are withdrawn: 1977-7, 1977-14, 1982-12, 1982-13, 1985-2, 1990-9 and 1992-25.**

The table below outlines the requirements insurers must follow if they assign points to an insured's policy, increase the insured's premium due to an at-fault accident, or use such information in tiering<sup>2</sup> when rating private passenger automobile policies in the voluntary market and the residual market. The requirements for an Adverse Underwriting Notice are set forth in § 38.2-610.<sup>3</sup>

Topic	Insurer Obligations
<b>Accidents and convictions</b>	Insurers may apply a surcharge or place/keep the insured in a less favorable tier based on information pertaining to a motor vehicle <i>conviction</i> or at-fault <i>accident</i> . An at-fault accident is one in which the insured is wholly or partially at fault.

<sup>1</sup> A safe driver Plan (SDIP) includes any rating plan, by whatever name, where the premium for a private passenger policy is either increased or decreased due to a motor vehicle accident or conviction.

<sup>2</sup> As used in this Administrative Letter, tiering means a single company's pricing structure that includes multiple pricing tracks, which are distinguished by risk-specific criteria.

<sup>3</sup> Additional information may be found in the Virginia Property & Casualty Filing Guidelines, Common Problems Found During Examinations Identified by the Property and Casualty Market Conduct and Consumer Services Sections, and AL-2015-07. These documents are on the Bureau's website <https://www.scc.virginia.gov/regulated-industries/companies/>.

Topic	Insurer Obligations
<b>Not-at-fault accidents</b>	<p>Insurers may account for a not-at-fault (NAF) accident occurring prior to the new business effective date in rating. All rules applicable to the experience period apply.</p> <p>After the new business effective date, when adding a driver, NAF accidents involving the added driver which occurred prior to the new business effective date may not be accounted for in rating.</p>
<b>Insurer investigation required</b>	<p>Insurers must investigate and determine whether the insured was wholly or partially at-fault for the accident prior to assigning points or increasing premium.</p>
<b>Conditions regarding increasing premium, assigning points, and law enforcement exception</b>	<p>An insurer may not assign points or increase the insured's premium when the operator causing the accident or incurring the conviction is a principal operator under a separate policy.</p> <p>When an insurer assigns points at the vehicle level in rating, the points must be assigned to the vehicle customarily driven by the operator responsible for the accident/conviction.</p> <p>Exception for law enforcement: Insurers may not increase the premium or assign points under an SDIP to a policy insuring a law-enforcement officer due to an accident that occurred during the insured's employment as a law-enforcement officer when driving a motor vehicle provided by the employing law-enforcement agency and the insured was engaged in a law-enforcement activity at the time of the accident.</p>
<b>Experience period for the increase in premium, placement in a less favorable tier, or assignment of points due to accidents and convictions</b>	<p>An insurer may use motor vehicle accident or conviction information in rating for no longer than 36 months.</p> <ul style="list-style-type: none"> <li>To use the full 36-month experience period, the increase in premium, placement in a less favorable tier, or assignment of points must be applied to the new or renewal business policy no later than 12 months after the accident or conviction.</li> <li>If applied to the new or renewal business policy more than 12 months after the accident or conviction, the experience period is reduced accordingly.</li> </ul>

Topic	Insurer Obligations
<b>Insurers may not charge for accidents/convictions in both tiering and at the vehicle level</b>	An insurer may use accidents and convictions in tiering but may not then also assign points or increase premium at the vehicle level. All rules regarding the use of NAF accidents apply.
<b>Notice to Named Insured required</b>	<p>Insurers shall notify the named insured in writing and in the same notification inform the named insured that they may appeal the decision of the insurer to the Commissioner of Insurance if they feel their premium has increased or they have been charged points due to a motor vehicle accident without just cause.</p> <p>The notice shall include the requirements that the appeal be in writing and made to the Commissioner of Insurance within 60 days of receipt of the notice of any premium increase adjustment or of any point charge resulting from a motor vehicle accident.</p>

Any questions concerning this administrative letter may be addressed to:

**Manager**  
**P&C Personal Lines Rules, Rates & Forms Section**  
**[BOIRRF@scc.virginia.gov](mailto:BOIRRF@scc.virginia.gov)**

Cordially,

/s/ Scott A. White

Scott A. White  
Commissioner of Insurance