



Commonwealth of Virginia

**Virginia Property and Casualty
Filing and Product Guidelines**

July 2026 Edition

Bureau of Insurance

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Major Changes

- Formatting and organizational changes made to improve readability and accessibility.
- References added for newly enacted legislation regarding owner occupied properties (§ 38.2-2114(K)), the use of credit information or credit-based insurance score in personal auto policies (§ 38.2-508(9)), and adding a driver to a personal auto policy using third-party data (§ 38.2-2235).
- Revision of the “Me Too” filing process, scope, and applicability.
- SERFF submission filing requirements.
- Clarification and standardization of requirements when proposing or amending rate capping programs.
- Specific call out regarding trade secret eligibility – material which is filed by a third-party is not eligible for trade secret status protection.

Introduction

The purpose of this handbook is to assist regulated entities in preparing and submitting filings which must comply with regulatory requirements. While the handbook covers many of the most common regulatory requirements, it is not all-inclusive.

Insurers should be familiar with:

- [Administrative Letters](#) (ALs)
- [Administrative Orders](#) (AOs)
- [Title 38.2 of the Code of Virginia](#)
- [Title 46.2 of the Code of Virginia](#)
- [Title 52 of the Code of Virginia](#) – State Police (Insurance Fraud)
- [Title 65.2 of the Code of Virginia](#) – Workers’ Compensation Insurance
- [Title 14 of the Virginia Administrative Code](#) (VAC)
- [SERFF Filing Access](#) – Public search application for SERFF submissions
- SERFF General Instructions (available directly in SERFF-Filing Rules tab)

Glossary

- Bureau: Bureau of Insurance
- Code: Code of Virginia
- LOI: Line of Insurance
- NAIC: National Association of Insurance Commissioners
- RSO: Rate Service Organization
- SERFF: System for Electronic Rate and Form Filings
- Submission and Filing: Synonyms, used interchangeably
- Supplementary Rate Information: Rules, rates, and other materials required to be filed under § 38.2-1906 of the Code (defined in § 38.2-1901 of the Code)
- TOI: Type of Insurance

Insurers may subscribe to a notification service available through the [Bureau's website](#) that will send an email whenever a new AL or AO is added. All ALs and AOs may be downloaded. If you cannot find a specific document, please email BOIRRF@scc.virginia.gov and include a detailed description with your request.

Send any questions or comments about this handbook to:

BOIRRF@scc.virginia.gov

Section I – General Filing Requirements

Licensing Required

Filings may only be submitted for the lines of insurance an insurer or RSO is licensed for in Virginia.

For questions about the line of authority required for a specific product offering, please contact the Property and Casualty Division.

An insurer may contact the Financial Regulation Division at BureauofInsurance@scc.virginia.gov or call 804-371-9869 for assistance with adding a line of authority.

SERFF Submissions

Insurers are encouraged to use NAIC's SERFF when submitting new material, revising existing programs, and withdrawing programs.

Submit Filings by Line or Program of Insurance

Submissions must be submitted separately for each line or program of insurance unless an exception is outlined in the Interline section of this handbook. The insurer must indicate the program name and the coverage form number(s) used in that program to aid in the review of the filing.

Refer to the NAIC's Uniform Product Coding matrix for the assignment of Types of Insurance, or TOI.

When submitting an excess policy filing, the TOI must match the TOI of the primary policy. The filing description must clearly outline the program name or list the primary policy forms which the excess policy follows. For example:

- Excess fire insurance should be submitted under TOI 01.0 Property.
- Excess workers' compensation should be submitted under TOI 17.3 Other Liability with a sub-TOI of 17.3000 Excess WC, which will enable the submission of forms.
- Excess crime should be submitted under TOI 26.0 Burglary and Theft.
- All other excess or umbrella liability insurance should be submitted under TOI 17.0, 17.1, or 17.2.

Filing Description Required in SERFF Submissions

All SERFF submissions must contain a Filing Description, which summarizes the submission, under the General Information tab.

References to a filing memo or supporting documentation are not sufficient. The summary should note whether the materials are new or revisions of existing materials, what material is to be replaced, if any, along with the specific program or product names.

Insurers may add or amend a Filing Description through a Post-Submission Update.

Location of Materials in SERFF Filings

When submitting forms, rates/rules, or models used in rating, insurers should be mindful to file the program material under the appropriate tab in SERFF.

Properly submitting material within SERFF reduces filing review delays.

For example:

- Forms, forms lists, and statements of variability must be filed under the Form Schedule tab.
- Rules, rates, territory assignments, and all models must be filed under the Rate/Rule Schedule tab.
- All remaining material, including the required Bureau certification forms, memorandums, actuarial supports, and other ancillary filing support documents, must be filed under the Supporting Documentation tab, as these are examples of materials which support the insurer's program.

When submitting rate changes of any kind, all insurers are required to complete the Company Rate Information section located within the Rate/Rule Schedule tab.

New, Replaced, or Withdrawn Materials

All submissions that include forms, manual pages, or exception pages must specify whether they are new, replaced, or withdrawn. All submissions that replace or withdraw filed or approved material must specify the applicable SERFF tracking number(s) or if pre-SERFF, the Bureau tracking number(s) of the material to be replaced. Additionally, if an insurer withdraws premium bearing coverage forms or endorsements, the corresponding rules and rates should also be withdrawn.

Effective and Implementation Date Requests

AL 2006-08 requires that insurers propose an effective date for every filing.

- The selected method of implementation must be applied consistently for each entity named in the submission.
- The effective date and method of implementation must comply with § 38.2-317 of the Code for forms and § 38.2-1906 of the Code for rules/rates.
- "Upon Approval" or "On Approval" are not acceptable.
- The implementation date for workers' compensation submissions or statutorily required coverage changes must always be based upon "policies effective" on or after the date specified.

Objections on Form or Rate/Rule Submissions

If any corrections are necessary prior to approval or acceptance of the filing, the examiner will communicate them in an Objection Letter. The Objection Letter will specify an expected response date.

Withdrawing or Discontinuing Lines of Business or Programs

When an insurer wishes to withdraw a program, a SERFF submission is required. If the insurer will issue non-renewals, the filing should include the current policy count. The effective date(s) should reflect the date which the non-renewals will begin.

If there are no policies in force, the effective date can be the date of the insurer's choosing, and the filing description should reflect the insurer's wishes to withdraw the program.

Filings must be made by the line of insurance applicable to the program.

Rates, Rules, and Forms Filed for a Purchasing Group

Rates, rules, or forms filed solely for use with a purchasing group are not subject to regulation by the Bureau in Virginia if the purchasing group is domiciled in another state, even if the purchasing group has members in Virginia.

Enabling Rules

An enabling rule allows the use of material that has been otherwise filed by or on the insurer's behalf in conjunction with an independent program without having to file the same material again.

Insurers are required to use the rules and forms on file for the specific program before using the materials allowed by the enabling rule.

“Me Too” Submissions (submissions to use an affiliated insurer's approved filings)

Under certain conditions, an insurer may file to use identical forms (if they have been previously approved) of an affiliated insurer without resubmitting all applicable forms. If an **insurer's group** has a program on file for one of its underwriting companies and wants to use the same material for an affiliated insurer, the Bureau will, under appropriate circumstances, allow the insurer to submit a “Me too” filing.

For all lines of insurance, the insurer must submit their own rule and rate manuals. “Me too” of affiliated insurer's rule and rate manuals are not accepted.

Requirements for a “Me too” submission:

- Include an up-to-date forms list of all forms, their edition dates, and the SERFF tracking numbers where they were submitted and approved for an affiliated underwriting company within the group.
- Confirm in the SERFF Filing Description that the insurer is using the same materials filed for the affiliated insurer(s) up to and including the most recent SERFF Tracking Number(s) for the approved materials.
- Materials must be identical to what is currently on file for that specific affiliated company.
- The insurer requesting the “Me too” submission must submit a rate certification form, COF- 1 (05/05), when rates or supplementary rate information are included.

Interline (IL) Submissions

An IL submission is a single submission that includes more than one line or program of insurance where identical materials apply to all TOIs or programs referenced in the submission. The insurer must include a complete list of the applicable TOIs, sub-TOIs, and/or programs.

- IL submissions are not permitted for materials with an associated premium consideration or charge(s).
 - ❖ The one exception is for installment payment plans/premium payment plans and the fees associated with such plans.
- Examples of generally acceptable IL submissions:
 - ❖ Forms or endorsements such as common policy conditions, reciprocal provisions, mutual policy provisions, name change endorsements, and certain exclusions
 - ❖ Certain types of supplementary rate information such as installment payment plans or rating plans

Resubmissions of Disapproved Submissions

The Bureau will reopen a disapproved submission for further consideration **IF** the insurer submits the requested corrections within 90 days from the date of disapproval. The resubmission process begins with a request from the insurer in a Note to Reviewer in SERFF to reopen the submission.

Resubmissions must include a new proposed effective date(s) if the previous date(s) is no longer compliant with § 38.2-317 of the Code. Refer to AL 2006-08.

If the submission is disapproved a second time or a request to reopen is submitted more than 90 days after the original disapproval, the insurer must prepare a new submission, which must reference the disapproved SERFF tracking number. The new filing should also include a Filing Memorandum outlining the changes that were made to address the objections raised in the disapproved filing.

Post-Submission Updates

A post-submission update is used to amend the effective date(s) of filing implementation, amend the filing description, or amend the filing to include required or updated material.

Once a filing is closed, requested effective dates cannot be modified if they are in the past.

Post-submission updates may not be used to backdate coverage.

Section II - Delegation of Filing Authority to an RSO

Policy Forms and Endorsements

Insurers may grant an RSO authority to file forms on their behalf. If an insurer:

- Non-adopts or delays adoption of forms, § 38.2-317(H) of the Code requires an insurer to notify the Bureau prior to the RSO effective date.
- Makes amendments to any forms filed on its behalf by an RSO, the amended forms must be filed with the Bureau in accordance with § 38.2-317 of the Code.
- Intends to use a proprietary form instead of or in addition to a form filed on its behalf by an RSO, the proprietary form(s) must be filed with the Bureau in accordance with § 38.2-317 of the Code.
- Intends to only make clerical changes, such as adding an insurer's name or logo or changing the form number, the insurer is not required to submit the form for the Bureau's review or approval.

Delegating Filing Authorization to an RSO

An insurer is permitted to delegate filing authority to an RSO by § 38.2-1908 of the Code.

In other words, an insurer may authorize an RSO to file rules and other supplementary rate information on its behalf. **The Bureau does not have access to announcements or circulars issued by RSOs**; therefore, all RSO materials must be cited using the RSO's reference filing number(s).

Additionally, insurers must file **final rates for homeowners and personal auto** insurance programs.

The Bureau has issued several guidance ALs to outline the different ways insurers may delegate filing authority to an RSO:

AL 2018-07: Participating Insurers Allowed to either Adopt RSO Filings or Authorize an RSO to "File on Behalf of"

- Section 38.2-1908 of the Code permits participating insurers to authorize an RSO to file materials on their behalf.
- An insurer is also permitted to file exceptions to an RSO's materials that are filed on their behalf but must submit the exceptions on or before the RSO's implementation date. The insurer's exceptions must track with the rule numbering of the RSO's filed materials.

AL 2011-07: RSO Advisory Filings (AFAF-1)

- AL 2011-07 permits RSOs to submit advisory filings. An advisory filing is a submission that the RSO does not file on behalf of insurers. When a participating insurer wishes to use an RSO's advisory filing, the insurer must take specific actions which are outlined in AL 2011-07.
- The AFAF-1 form is to be used **ONLY** for adopting an RSO's **advisory** filings other than loss costs. **Refer to the items in this handbook that pertain to adoptions of loss costs.**

AL 2006-16: Insurer Submissions to Adopt an RSO's Loss Costs (Loss Cost Adoption Form, PC IRF – Other than Workers' Compensation)

- Insurers are required to take specific actions to use an RSO's loss costs. AL 2006-16 contains the instructions related to adopting an RSO's loss costs. For example:
 - ❖ Use adoption form PC IRF and the associated cover form.
 - ❖ Refer to the appropriate loss costs reference filing number.
 - ❖ Specify the applicable line of insurance or type of insurance.
- Interactive PDF versions of the PC IRF form and cover form are available in SERFF under the Supporting Documentation tab. The PC IRF form has two options available to an insurer:
 - ❖ Check box 1 if the insurer elects to have its filed multiplier apply to future RSO loss cost submissions.
 - ❖ Check box 2 if the insurer elects to have its filed multiplier apply to ONLY the cited RSO loss cost submission (referred to as "current only").

AL 2010-05: Workers' Compensation Prospective Loss Cost Filing Requirements

- Insurers may not file to delay or change the implementation date of the approved NCCI loss costs (April 1).

Delay or Non-Adoption of an RSO's Submission (Other than Workers' Compensation)

- When an insurer has authorized an RSO pursuant to § 38.2-1908 to file rules and supplementary rate information on its behalf but wishes to delay adoption of the material or decides to not use the revision, the insurer must notify the Bureau on or before the effective date of the RSO's reference filing. The RSO's reference number is required for all delays of implementation or non-adoptions.
- Please note, insurers are not permitted to delay or non-adopt filings which are submitted to comply with statutory changes.

Participating Insurers Adopting RSO Filings

- Participating insurers, as defined in AL 2018-07, are allowed the option to adopt materials filed by an RSO as an alternative to authorizing an RSO to file materials on their behalf.
- Insurers must provide the Bureau with an implementation effective date as well as the reference filing number(s) assigned to the RSO's forms, rules, and loss costs they intend to use.

Estimated Loss Potentials

ISO's Commercial General Liability Estimated Loss Potentials are exempt from filing requirements by AO 11888. Therefore, insurers should **not** submit loss cost adoption forms or submit filings to adopt or delay implementation of these materials.

Section III - Filing Requirements for Rates and Rules

Rating Plans (Other than Workers' Compensation)

Rating plans, such as schedule rating plans, individual risk premium modification plans, expense modification plans, experience rating plans, and retrospective rating plans, are considered supplementary rate information and are subject to the filing requirements of § 38.2-1906 of the Code. AL 2006-15 provides additional information regarding the filing requirements, including a sample schedule rating plan.

- Rating plan filings may be filed as Interline or separately by TOI.
- For a schedule rating plan, any variables should be briefly defined in the rule. Clarification as to what differentiates a credit from debit regarding the risk should also be included. Schedule rating plans may **not** include the use of loss history or loss experience.
- Insurers are not required to file the following for schedule rating plans:
 - ❖ The overall maximum debit/credit used for the schedule rating plan (the debit/credit range is still required for each variable)
 - ❖ A rule requiring documentation from the insured (although insurers are expected to retain internal documentation)
 - ❖ How the debits and credits are tallied, applied, and combined
- Experience rating plans must produce a specific credit, debit, or unity modification. Ranges of credits or debits are **not** permitted.

Please note that even if using an RSO's rating plan, there may still be information that is required to be filed in accordance with § 38.2-1906. For example:

- If using ISO's loss rated basis composite rating plan, the insurer must file the Expected Loss Ratio (ELR) for each specific line included in the plan. Insurers should refer to the RSO circular provided with the rating plan for instructions.
- If using ISO's retrospective rating plan, the insurer must file the ELR and tax multiplier for each specific line included in the plan. Insurers should refer to the RSO circular provided with the rating plan for instructions.
 - ❖ The ELR for hospital, general liability, and auto liability should include allocated loss adjustment expenses.
 - ❖ For auto physical damage and crime, allocated loss adjustment expenses should not be included.

Types of Rating Plans

File-and-Use Rate Regulation

Chapter 19 of Title 38.2 of the Code applies to the regulation of rates and supplemental rate

information for the lines of insurance for which competition is an effective regulator of rates. All rule and rate filing material must be submitted as an unprotected PDF. The Bureau is unable to accept rates which are in an Excel document format or password protected.

Rates regulated as "file and use" must be filed on or before the date they are used and must be used as stated in the submission and acknowledged by the Bureau's final disposition. Section 38.2-1906 of the Code does not permit an insurer to request an effective date earlier than the date of receipt of the submission. For example, it would not be permissible for an insurer to submit a rule/rate filing on March 26, 2028, with an effective date of March 25, 2028.

In the event an insurer begins to utilize rates but there are adjustments made to the filing or the insurer has removed rating elements, the insurer is required to re-rate the policies which leveraged incorrect rates. The Bureau's final disposition acknowledges filed rates.

File-and-Use Rate Certification Form (COF-1)

Insurers must include a rate certification form, COF-1 (05/05), with rate/rule submissions. The form is an attachment to AL 2005-01 and available on the Bureau's website. The COF-1 (05/05) is used to certify that the proposed rules and rates comply with the rate standards in subsections A and B of § 38.2-1904 of the Code.

An interactive PDF of the COF-1 (05/05) is available in the SERFF General Instructions and under the Supporting Documentation tab.

Common mistakes or omissions include the following:

- **Block 1, 2, or 3 is not checked.**
- **The form is not signed by a qualified actuary.**
- **All insurers referenced in the submission are not listed on the COF-1 (05/05).**
- **The insurer uses a group name on the COF-1 (05/05). This is not acceptable; however, insurers may list all insurers on the same COF-1 (05/05).**
- **The effective date shown on the COF-1 (05/05) is not the same as the effective date requested on the SERFF General Information tab.**
- **The insurer uses an incorrect version of the rate certification form.**

The rate certification form is not required for the following materials:

- Minimum premiums
- Installment payment plans
- Insufficient/non-sufficient fund check fees/returned check charges
- Rules for non-premium-bearing endorsements
- Policy term rules
- Rounding rules

- Waiver-of-premium rules
- Submissions that request the 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 an RSO's materials
- Interpolation rules and examples

Prior Approval Rate Regulation

Chapter 20 of Title 38.2 of the Code regulates rates applicable to the following pursuant to § 38.2-2001 of the Code:

- Insurance written through the Virginia Worker's Compensation Insurance Plan
- Coverage provided in the Virginia Automobile Insurance Plan
- Coverage provided by the Virginia Property Insurance Association (see § 38.2-2703 of the Code)
- Home protection contracts as defined in § 38.2-2600 of the Code
- Policies and certificates of credit involuntary unemployment insurance as defined in § 38.2-122(1) of the Code
- Policies and certificates of credit property insurance as defined in § 38.2-122(2) of the Code

Prior Approval – Rate Certification Form (DR/COF)

Insurers must include a rate certification form, DR/COF (05/05), with all rate/rule submissions subject to the requirements of Chapter 20 of the Code. The form is an attachment to AL 2005-01 and available on the Bureau's website.

The DR/COF (05/05) is used to certify that the proposed rules and rates comply with §§ 38.2-2005 or 38.2-2006 of the Code. Insurers are also required to send 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 the SERFF General Instructions and under the Supporting Documentation tab. **A COF-1 (05/05) cannot be accepted in place of a DR/COF (05/05) for Chapter 20 filings.**

Individual/Specific Risk Submissions

Individual risk submissions are not acceptable in Virginia. An insurer must file rules and rates applicable to a class of insurance or risk as described in § 38.2-1904 of the Code unless the class is exempt from filing requirements by statute or AO.

Excess Rates for Specific Risks (Consent to Rate)

Insurers are permitted to submit an excess rate for a specific risk pursuant to §§ 38.2-1920 and 38.2-2013 of the Code.

An excess rate 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.

To request an excess rate, submit the appropriate excess rate application form – either for workers' comp or other than workers' comp. Interactive PDF versions of both forms are available on the Bureau's website.

The applicable excess rate application form requires the following:

1. The excess rate application must be completed, signed by the insured, dated, and submitted on or before the policy inception date. The insurer must also submit supporting documentation providing all information needed for calculation of premium.
2. The Agency/Producer must be actively licensed in Virginia and appointed by the insurer.
3. The excess rate application must state the specific reason or reasons for the increased rate. The reason(s) for the excess rate must be related to the risk insured. "Losses" is not an acceptable reason.
4. A proposed excess rate may be presented as a percentage or final rate.
5. Completed quote worksheets must be submitted.
6. Further supporting documentation may be requested as needed.

Claims-Made Rates

Rates for commercial general liability insurance written on a claims-made basis are required to be filed unless exempt by AO.

Extended reporting period, or ERP, rates are required to be filed unless exempt from filing requirements by an AO. **Commercial general liability ERP rates are exempt by AO 11888.**

Claims-made rates may include maturity step factors if the policy includes a retroactive date or similar limitation. However, insurers are not required to use maturity step factors. If an insurer uses maturity step factors, the step factors are required to be filed unless exempt from filing requirements by AO.

Additional Requirements

Interpolation/Extrapolation Rules

Interpolation and extrapolation rules are considered supplementary rate information as defined in § 38.2-1901 of the Code. Insurers wishing to interpolate or extrapolate rates are required to file the interpolation or extrapolation formula **and an example**.

Rounding Rules

Rounding rules are considered supplementary rate information as defined in § 38.2-1901 of the Code. Insurers must file specific rounding rules. For example, in a rounding rule that specifies to round to the

nearest whole dollar, the rule must explain whether 50 cents will be rounded up or down.

Installment Payment Plans and Other Fees Charged by Insurers

Installment payment plans are considered supplementary rate information as defined in § 38.2- 1901 of the Code and must be filed with the Bureau on or before the proposed effective date of implementation. Refer to AL 1993-6 and § 38.2-310 of the Code.

If an installment payment plan is applicable to more than one line of insurance or program, the installment payment plan may be submitted in an Interline submission.

Other fees charged by insurers, such as fees charged for late payments, dishonored checks, and reinstatements, must also be filed with the Bureau pursuant to § 38.2-310 of the Code.

Insurers are not permitted to apply their filed installment payment plans to residual market policies.

Refund or Retention of Premium

Fees related to the underwriting and pricing of a risk are considered premium and may not be fully earned. These include fees that are generally charged to all policyholders, such as policy initiation, membership, and other similar fees, and can be the basis for a non-pay cancellation. They must be included in the calculation of the refund consistent with the cancellation condition of the policy.

Service charges relating to the acceptance of payments, such as reinstatement, NSF check, installment, late fees, and the administrative charge for issuing SR-22s, are not considered premium and may be fully earned. Since these charges are not considered premium, these fees cannot be used as the basis for a non-pay cancellation.

Return Premium Calculation

Section 38.2-305 of the Code requires that all policy provisions be contained in the policy, including the method of calculating return premium. Return premium calculations must be specific. For example, if an insurer uses a short rate return premium calculation method, 90% of pro-rata would be an acceptable description. If using a short rate table, the table must be filed.

Rules/Rates for Premium-Bearing Forms

A rule and rate must be filed for every premium-bearing coverage form or endorsement unless exempt from filing requirements by statute or AO. Refer to § 38.2-1906 of the Code. See the section titled “Rules/Rates Exempt from Filing Requirements” below.

Territory and Protection Class Rating

Territory assignments used in rating must be filed. Manual pages must clearly define the territory assignments.

- If ZIP codes are used as territories, a rule must be included for determining how newly derived

ZIP codes will be accommodated.

- ❖ If the company wishes to use a rule stating that one of the surrounding ZIP codes will be used, the rule must state exactly which one of the surrounding ZIP codes will be selected.
- When an insurer uses public protection classifications in property insurance rating, the manual pages must detail how the assignment is made or reference material filed on behalf of the insurer by an RSO.
- If census blocks are used for territory assignments, they must be clearly defined in the submission.
- If territory assignments are based on latitude and longitude, all combinations of latitude and longitude used must be filed.

Tiered Pricing Plans

Tiered pricing programs where different rates are charged for the same coverage written by the same insurer are permitted. However, certain requirements must be met to comply with §§ 38.2-1904 and 38.2-1906 of the Code. If an insurer intends 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 (i.e., which tier will apply).
- Eligibility criteria may not overlap; no risk should be able to meet the eligibility criteria for more than one rating tier.
- Insurers are required to re-evaluate the tier criteria for each risk at least once every three years unless a variable is used within tiering which would require re-evaluation to occur more frequently due to statutory requirements.
 - ❖ For personal auto insurance, please refer to AL 2025-01 for an outline of acceptable tiering practices in rating.
 - ❖ For workers' compensation insurance, insurers must re-evaluate tier placement at every renewal. Refer to AL 2010-05.

Experience Period for Motor Vehicle Accidents

For personal auto insurance: § 38.2-1904(D) of the Code establishes a 36-month experience period limitation for using motor vehicle accidents or convictions in pricing.

For commercial auto insurance: AL 2006-15 indicates that the 36-month experience period set forth in § 38.2-1904(D) of the Code does not apply to experience rating plans or other types of rating plans that are based on accidents and/or convictions used with commercial auto insurance. This AL also indicates that § 38.2-1905 of the Code 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.

Not-At-Fault Accidents

Insurers are not permitted to use “not-at-fault” accidents or claims which occur after the new business effective date (medical expense, comprehensive/other than collision, income loss benefits, and uninsured motorist) in rating. Such a practice could result in an increase in premium for an accident or claim not caused wholly or partially by the insured, which would be a violation of § 38.2-1905(A) of the Code.

Refer to AL 2025-01 for more information.

Minimum Financial Responsibility Limits for Motor Vehicle Insurance

Minimum financial responsibility limits pursuant to § 46.2-472(B) of the Code are \$50,000 per person/\$100,000 per occurrence for bodily injury and \$25,000 for property damage. The minimum financial responsibility limit for the combined single limit is \$125,000.

There are exceptions for school buses as outlined in § 22.1-190 of the Code and self-insured taxi cabs as outlined in § 46.2-2057 of the Code.

Underwriting Guidelines

Underwriting guidelines are the criteria insurers use to determine whether to write a risk or for risk selection. Insurers are not required to file their underwriting guidelines.

However, any criteria used in pricing is supplemental rate information that must be filed.

If an insurer chooses to file its underwriting guidelines, the Bureau considers the information to be supplementary rating information. Once filed, no underwriting discretion may be exercised by the insurer that differs from the filed materials.

Credit/Insurance Scoring or Pricing

Insurance credit scoring models used for purposes other than risk selection must be filed. Refer to AL 2002-06. Please note, effective July 1, 2026, pursuant to § 38.2-508.9 of the Code, no insurer may refuse to insure, refuse to continue to insure, or limit the amount or extent of motor vehicle insurance coverage, or charge an individual a different rate for the same motor vehicle insurance coverage, solely because of such individual's consumer credit information or credit-based insurance score.

The use of credit-related information in rating is permitted. However, any use of credit-related information must comply with the rate standards in § 38.2-1904 of the Code and must be filed pursuant to § 38.2-1906 of the Code.

If an insurer uses credit-related information as a separate or final rating variable, the insurer must provide the score ranges and the associated rate differential(s) for each range or band of scores.

If an insurer uses credit-related information as part of a tiered rating program, the insurer must provide the score ranges and the associated rate differential(s) for each tier.

Use of information from third-party vendors' credit scoring models is not permitted unless permission

has been granted for the insurer to file the model publicly.

For personal residential and personal auto insurance:

- Section 38.2-2126 of the Code outlines the requirements for using credit/insurance scores with property coverage 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 outlines the requirements for using credit/insurance scoring with personal auto insurance.

Commission Reduction Plans

If an insurer wishes to use a commission reduction plan as permitted by § 38.2-1904(E) of the Code, the plan must be filed as part of the insurer's manual of rules and rates on or before the date the insurer uses it. Each available reduction level must be specified along with any corresponding premium reduction. The plan should specify whether the commission level applies to new or renewal business or both.

Facultative Reinsurance

AL 2006-15 permits insurers to file rating plans to pass along no more than 100% of the cost of facultative reinsurance, including expenses, to policyholders. The amount (e.g., the percentage of the cost) that will be passed along to the policyholder must be filed.

Waiver of Premium Rules

AL 1983-12 allows insurers to file rules regarding the waiver of premium. Waivers cannot solely apply to return premiums; the insured must be notified that a return premium is available; and the rule must note that the return premium will be granted if requested by the insured

Rules/Rates Exempt from Filing Requirements

Certain types of insurance and coverage are exempt from filing requirements. Some exemptions have been established in statute. For example:

- Aircraft hull and aircraft liability rates – refer to § 38.2-1902 of the Code.
- Certain rates used in writing large commercial risks – refer to § 38.2-1903.1. of the Code.

Other exemptions have been established by AO (the full list of which can be found on the Bureau's website). For example:

- Municipal bond insurance, which is considered surety – refer to AO 11761 and 11773.
- Private flood insurance – refer to AO 12197.

Exempt lines are subject to all other applicable statutes and regulatory requirements, such as filing forms for approval, unless specified in the AO.

- Submissions that contain only exempt rules or rates will be returned to the insurer.
- Insurers will be asked to withdraw exempt rules or rates from manual pages that also contain rules or rates that are subject to filing requirements.

Dividend plans are not considered supplementary rate information and are not subject to filing requirements.

Rate Stabilization/Capping

Section 38.2-1906(F) of the Code permits insurers to cap both rate increases and decreases, or rate increases only. Chapter 345 of Title 14 of the VAC, or Chapter 345, establishes uniform filing standards. Any capping of rates, loss cost multipliers, deviations, or tier movement requires a rate stabilization plan. Rate stabilization may not be used to cap rate decreases associated with §§ 38.2-2126 (credit in property), 38.2-2234 (credit in auto), or 38.2-1904(D) (convictions or accidents in auto) of the Code.

The Rate Stabilization Plan Certification (Form 345-A) is required for all new and updated rate stabilization plans.

Key points of Chapter 345:

- A rate stabilization plan should not exceed five years.
- A rate stabilization plan may cap both increases and decreases but not decreases only.
- A rate stabilization plan must apply to a specified book of renewal business. Generic or placeholder rules are not permissible.
- No more than one rate stabilization plan may apply to any policy at one time.
- A transition rule is considered capping or stabilization of rates for a period of time.

A new or amended rate stabilization plan must include a rule which directly states the following:

1. The named source of the renewals subject to the rate stabilization plan (each group of book transfers must have its own corresponding rules and expiration date).
2. The process to be used for the rate stabilization, including an example to illustrate the process.
3. The amount of the rate increase or decrease to be limited.
4. Whether the rate stabilization plan is designed to converge with uncapped rates in subsequent rate failings.
5. The effect, if any, of the rate stabilization rule on any midterm changes.
6. Any limitations on tier movement that will be utilized for rate stabilization.
7. The commencement date of the rate stabilization plan (the exact date is required).
8. The duration of the rate stabilization plan (no more than five years).
9. The expiration date of the rate stabilization plan (the exact date is required).

Birth-Related Neurological Injury Fund Assessment (Fund)

Premium credits: Insurers writing medical professional liability coverage for participating medical

professionals, such as nurses, physicians or midwives, or participating hospitals, as defined in § 38.2-5001 of the Code, must file premium credits for participation in the Fund. The credit requirements are outlined in § 38.2-5020.1 of the Code.

Assessment recovery: Section 38.2-5020(E)(3) of the Code allows liability insurance carriers to recover their initial and annual assessments through a surcharge on future policies, rate increases effective prospectively, or a combination of the two. If an insurer decides to recover the assessment, a rule must be filed.

Credit Property Insurance and Credit Involuntary Unemployment Insurance

Rates associated with policies, endorsements, and certificates for these coverages are subject to prior approval by the Bureau pursuant to § 38.2-2006.1 of the Code. The Bureau's rate regulatory authority extends to certificates issued or delivered to Virginia residents, even if the certificate is generated from a master or group policy issued or delivered in another state. The rates charged for credit property and credit involuntary unemployment insurance coverage are subject to the filing requirements of § 38.2-2003 of the Code, including the 50% loss ratio standard described in subsection E of this statute.

Section 38.2-233 of the Code sets forth requirements for consumer disclosures and readability standards.

Refer to AL 2000-8 for additional details.

Request for Trade Secret Protection

Section 38.2-1907 of the Code permits insurers and RSOs to request confidentiality of rates and supplementary rate information if that information constitutes a trade secret pursuant to § 59.1-336 of the Code. The information must belong to and be the proprietary material of the insurer or the RSO. A filing can be held confidential IF the insurer or RSO requests trade secret protection and the appropriate documentation is provided. **Please note, if a third party is authorized to make a filing on behalf of an insurer or RSO, any material within that filing is no longer eligible for trade secret status.**

AL 2010-07 provides information regarding the process for filing trade secret protected materials and includes a form titled "Request for Trade Secret Protection, TSP-1." In addition to completing the TSP-1, the following information must be provided:

1. What steps have been taken by the insurer/RSO to protect its information internally?
2. How many people have access to this trade secret information?
3. Do producers or anyone outside of the insurer/RSO (other than Bureau staff) have access to this information?
4. Have any of the contents of this filing been made public or filed as a public record in Virginia or in any other state by this insurer/RSO or by any other insurer/RSO?

AL 2010-07 addresses challenges to trade secret protection made by a member of the public. Insurers and RSOs should not file public information in the same filing as the trade secret material.

- Filings with requests for trade secret protection should contain only the materials to be protected, and the filing should be clearly designated as “confidential” in SERFF.
- The insurer or RSO should also provide a cross-reference to a companion public-access submission (e.g., cite the SERFF Tracking Number).

Private Flood Rates and Supplementary Rate Information

AO 12197 exempts private flood insurance rules and rates from filing requirements. However, any insurer writing private flood insurance in Virginia must file a properly completed Virginia Rate Certification Applicable to Private Flood Insurance, Flood COF-1 (3/25), to certify that the rates are not in conflict or inconsistent with the rate standards in § 38.2-1904 of the Code.

AO 12197 defines private flood insurance as coverage written by an admitted insurer that is not written or reinsured through the National Flood Insurance Program. Private flood insurance includes coverage offered as the following:

- A primary standalone, first dollar flood insurance policy
- Primary flood insurance coverage provided by endorsement or included as a covered cause of loss
- Excess flood insurance coverage

Private flood insurance coverage **does not** include coverage for losses caused by or resulting from water which backs up through sewers or drains.

Private flood insurance form filing requirements are described in Section IV.

Medical Malpractice Cap

Section 8.01-581.15 of the Code – Limitation on recovery in certain medical malpractice actions.

This statute addresses caps on verdicts returned against health care providers for malpractice. The recovery limit is increased incrementally on an annual basis. At this time, the recovery limit will have its final increase for acts occurring on or after July 1, 2031.

Prohibited Actions

Ranges of Rates and Other Non-specific Rating Formulas

Sections 38.2-1904(C) and 38.2-1906 of the Code require that specific rates be filed. Therefore, ranges of rates and other non-specific rating formulas are not permitted. Insurers may use schedule rating plans to reflect the individual characteristics of the risk in certain lines of insurance. Refer to the section on Rating Plans (Other than Worker's Compensation) and AL 2006-15 for more information.

“Refer to Company” References

AL 1985-11 addresses "refer to company" references and filing requirements. Insurers are not permitted to use this type of reference as a substitute for filing rates or supplementary rate

information. Rates developed pursuant to such rules must be filed with the Bureau prior to use.

Insurers may comply with AL 1985-11 by either:

1. Adding a rule stating that any rate that is developed under a "refer to company" reference will be filed with the Bureau on or before its use or
2. Replacing all "refer to company" references with actual rates.

If an RSO's materials filed on the insurer's behalf include "refer to company" references, insurers are required to file the appropriate rates or rule exceptions for each occurring instance in a manual prior to use.

Price Optimization Prohibited

Price optimization is generally described as the practice of gathering and analyzing data related to characteristics specific to a particular policyholder to predict behaviors unrelated to the risk of loss or expenses. An example would be estimating how much of a premium increase an individual policyholder will tolerate before shopping for coverage with other carriers.

Setting rates or modifying filed rates based on characteristics unrelated to expected losses or expenses (i.e., price optimization as described above) violates § 38.2-1904 of the Code and is not permitted in Virginia. Section 38.2-1904 of the Code requires that the differences in rates, for the same coverage, between risks with similar characteristics must be based on differences between expected losses or expenses within the course of the policy period. Refer to AL 2016-03.

Lifetime Values or Longevity Factors Prohibited

The Bureau does not permit retention weights or lifetime costs to be used in rating. Often referred to as lifetime values or longevity factors, these factors are used to estimate the length of time an insured will remain with an insurer and then spread the expenses associated with the policy over the estimated lifetime. Use of these models violates § 38.2-1904 of the Code, as inaccurate predictions are either inadequate or excessive.

Rebating/Unlawful Rebating

Section 38.2-509 of the Code prohibits rebating as an inducement to purchase insurance.

Insurers can avoid unlawful rebating by including such benefits in a filed rating plan (§ 38.2-509(A)(2) of the Code) or by specifying them in the contract (§ 38.2-509(A)(3) of the Code). The insurer must include an explanation of the benefits that may be included.

Section IV – Form Filing Requirements

Section 38.2-317 of the Code applies to the types of coverage stated in § 38.2-1902 of the Code. All forms and endorsements pertaining to the classes of insurance defined in Chapter 19 must be submitted to the Bureau for approval.

Policy forms and endorsements must comply with all applicable statutes and may not include any provision that is misleading, unclear, or ambiguous. All policy forms must include form numbers and edition dates as well as the name of the underwriting company as required by § 38.2-305 of the Code. All policy forms and endorsements must be printed in 8 point or larger type as required by § 38.2-311 of the Code.

Section 38.2-317(B) of the Code outlines the Bureau’s authority to disapprove or withdraw approval of policy forms and endorsements.

Form filing requirements do not apply to:

- Standard automobile forms and endorsements are promulgated by the Bureau in accordance with § 38.2-2218 of the Code. The standard auto forms are made available for use by all insurers and not required to be filed.
- Surety pursuant to § 38.2-1902 of the Code.
- Aircraft hulls and aircraft liability pursuant to § 38.2-1902 of the Code.
- Forms specifically exempted from filing requirements by AO.
- Forms for insuring large commercial risks pursuant to § 38.2-1903.1 of the Code.
- Forms subject to § 38.2-317(F) of the Code.

Policy form or endorsement filings will be reviewed and either approved or disapproved within 30 days of the receipt of the filing unless the Bureau extends the review period for an additional 30 days.

Applications

Applications are not subject to filing requirements. Section 38.2-305 of the Code requires that all coverages, terms, exclusions, and conditions of the policy be contained in the policy forms and/or endorsements submitted for review and approval.

Refer to the Fraud section of this handbook for the fraud notice requirements in applications.

Statements in applications are representations, not warranties, and may not be used to bar recovery unless the statement was material to the risk and proven untrue. Refer to § 38.2-309 of the Code.

Forms Lists

A forms list is required for:

- Personal auto filings.
- “Me Too” filings (see above).

- Insurers which assign their own form numbers to forms filed on their behalf by an RSO.

The forms list should cross-reference any insurer assigned form numbers to any RSO form numbers.

Whenever new auto standard forms are introduced or updated, insurers must provide an updated forms list in a filing, even if the RSO is authorized to file on their behalf.

Forms lists may be requested by the examiner for any line of business if needed to aid in the review.

Additional Requirements

Appraisal Conditions

AL 2017-03 provides guidance about binding appraisal conditions in policy forms and endorsements.

In summary, the following are acceptable:

1. The appraisal condition in § 38.2-2105 of the Code includes the following statement: “An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss.” Insurers are permitted to use this or similar wording.
2. An appraisal condition can specifically state that it is binding on the INSURER.
3. An appraisal condition can state that it is binding on both the INSURER and the INSURED.
4. An appraisal condition can state that it is not binding on the INSURED; however, the condition may not state that it is not binding on the INSURER.

AL 2025-06 Actual Cash Value

The Bureau encourages all companies to review AL 2025-06 which discusses the definition and calculation of Actual Cash Value.

Endorsements

Endorsements must track with the policies they modify. In addition:

- It is generally not acceptable for multiple endorsements to be titled the same. If multiple endorsements are submitted with the same title because they modify separate and distinct base forms, a rule must be filed to indicate how each endorsement will be used.
- Words or phrases that are entered in bold font or quotations and identified as defined terms by the insurer must be identified as a defined term throughout the form or endorsement.
- If an endorsement does not specify the policy form or another endorsement it amends (by title or form number), a rule must be filed to indicate how each endorsement will be used.

Terms and Conditions of Coverage

All terms and conditions of coverage must be included in the insurance contract for compliance with § 38.2-305 of the Code.

Countersignature Endorsements

If an insurer requires a countersignature for the policy to be valid, the Bureau considers this to be a change in conditions, and the endorsement must be submitted for approval.

Reciprocal Provisions or Mutual Policy Conditions

Reciprocal provisions and mutual policy conditions must be filed and approved.

Blank Exclusions and Statements of Variability Requirements

The Bureau does not find it acceptable pursuant to §§ 38.2-305 and 38.2-317 of the Code for forms or endorsements to contain blank exclusions which are not accompanied by a statement of variability. The statement of variability must define all possible inputs which will be populated potentially within the blank.

The statement of variability is reviewed and approved as a form and must be filed for approval if amendments are made to the list of possible inputs.

Forms Not Subject to Filing Requirements

Change endorsements, notices, disclosures, schedules, certificates of insurance, declarations, and blank endorsements for making clerical changes which do not contain coverage terms or conditions are not subject to filing requirements.

Forms Exempt from Filing Requirements by AO

The Bureau's website contains a list of the AOs that exempt certain policy forms and endorsements from filing requirements pursuant to § 38.2-317(F) of the Code.

Earthquake – Notice of Exclusion

Refer to § 38.2-2129 of the Code for earthquake exclusion notice requirements. These notices are not subject to filing requirements.

Fraud Notices

Section 52-40 of Title 52 of the Code requires that all insurance applications and all claim forms contain a statement (permanently affixed to or included as part of the application or claim form) stating 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 using wording that differs from the language of the statute should consult with their legal department and/or the Virginia State Police Insurance Fraud Investigation Unit. Claim forms and applications are not subject to form filing requirements and should not be submitted.

Forms Written in a Language other than English

Insurers are permitted to submit coverage forms that are written in a language other than English. The following are required with such submissions:

- An English-language version must be provided.
- An affidavit from the translator is required.
- A certification must be provided confirming that the non-English language form is the same as the English-language counterpart.

Manuscript Coverage

Insurers may manuscript **broadenings** of coverage provided it meets the requirements of Administrative Order 11936. However, form wording commonly used (i.e., four or more times a year) must be filed for approval pursuant to § 38.2-317 of the Code. Insurers may not manuscript restrictions or exclusions of coverage.

- All restrictions of coverage must be filed and approved pursuant to § 38.2-317 of the Code.

Terrorism Risk Insurance

AL 2020-07 contains the most current information available from the Bureau.

For the purposes of commercial property insurance, the standard fire policy does not require coverage for fire ensuing from a certified terrorist event if the insured has rejected certified terrorism coverage.

Limiting Time to Bring Action (Policies Not Subject to § 38.2-2105 of the Code)

No provision shall limit the time to bring action to less than one year after a loss occurs or a cause of action accrues. Refer to § 38.2-314 of the Code.

However, for policies subject to § 38.2-2105 of the Code, a suit or action must commence within two years from inception of the loss.

Minimum Standards of Content for Policies Written to Insure Owner-Occupied Dwellings and Homeowner Policies – Chapters 341 and 342 of the VAC

Chapter 341 of Title 14 of the VAC outlines the minimum standards of content for owner-occupied dwelling programs. Filings made in compliance with Chapter 341 must submit a completed **Certification of Compliance (14VAC5-341-10 et seq)**, available within SERFF.

Chapter 342 of Title 14 of the VAC outlines the minimum standards of content for homeowners policies. Filings made in compliance with Chapter 342 must submit a completed **Certification of Compliance (14VAC5-342-10 et seq)**, available within SERFF.

Owner-Occupied Cancellation Conditions: Roofs

Effective January 01, 2027, all programs written to insure owner-occupied dwellings must amend the cancellation condition to comply with § 38.2-2114(K) of the Code.

Ordinance or Law (Mandatory Offer of Coverage)

Insurers are required by § 38.2-2124 of the Code to offer optional ordinance or law coverage as an additional limit of insurance on all fire insurance policies. The statute does not allow for limitations or exclusions, such as excluding coverage for the testing or remediation of pollution.

Ordinance or law must be offered up to the building limit for both demolition and increased costs of construction. When coverage is provided for building additions and alterations for tenant occupied coverage forms, the ordinance or law limit must be offered up to that amount. Other limits may also be offered. Refer to AL 2016-05 and the Code for additional details.

Replacement Cost Loss Settlement Coverage

Pursuant to § 38.2-2119(B) of the Code, property insurance policies 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:

- The last date the insured received payment for the actual cash value or
- The date of entry of a final order declaring the right of the insured to full replacement cost coverage.

It is not acceptable to reference 180 days over 6 months in the coverage form.

Functional Replacement Cost Loss Settlement Coverage

Refer to § 38.2-2119(C) of the Code for requirements when providing, at the insured's option, loss settlement on a functional replacement cost basis.

Water/Sewer Back-Up Coverage (Mandatory Offer of Coverage)

Section 38.2-2120(A) of the Code requires insurers who issue or deliver a new or renewal homeowners insurance policy must offer optional coverage insuring against loss caused by or resulting from water which backs up through sewers or drains. Per AL 2016-05, this coverage must also be offered for tenant occupied coverage policies.

Coverage for water back up must be offered up to the policy limits, without restrictions, as an additional limit of insurance.

Diminution of Value for Scheduled Personal Property (Mandatory Offer of Coverage)

Section 38.2-2120(B) of the Code requires insurers that issue or deliver homeowners policies or a stand-alone endorsement that covers scheduled personal property offer a provision providing coverage for the diminution in the value of any such scheduled personal property if the schedule provides for the repair of such property. If the insurer automatically provides this coverage to insureds, they must send a one-time notice to insureds notifying them of the available coverage. That notice is not subject to filing with the Bureau.

Volunteer Fire Department Service Charges

Property insurance policies 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. See § 38.2-2130 of the Code and AL 2012-06.

This limit is **separate from and in addition to** any other fire department service charges covered by the policy.

Credit Property and Credit Involuntary Unemployment Insurance

For credit property insurance and credit involuntary unemployment insurance, the Bureau has extra-territorial form approval authority, which includes certificates issued or delivered to Virginia residents — even if the certificate is generated from a master or group policy issued or delivered in another state. Chapter 3 of the Code establishes the filing requirement for forms.

Refer to § 38.2-233 of the Code (form and disclosure notices requirements); § 38.2-317(C) of the Code (prior approval); § 38.2-317(I) of the Code (extra territorial form authority); and § 38.2-312 of the Code (binding arbitration prohibited).

Uninsured Private Pleasure Watercraft Insurance (Mandatory Offer of Coverage)

Insurers must offer uninsured private pleasure watercraft insurance coverage in accordance with § 38.2-2232 of the Code. Uninsured private pleasure watercraft insurance coverage must include bodily injury and property damage coverage. Insurers must offer limits of liability for uninsured private pleasure watercraft coverage that are equal to the limits of liability insurance coverage provided by the policy.

Excess policies, umbrella policies, or policies which provide incidental liability coverage not related to a specifically insured private pleasure watercraft are not required to offer uninsured private pleasure watercraft coverage.

Liability Insurance: Bankruptcy, Insolvency, and Unsatisfied Judgment Provisions

§ 38.2-2200 of the Code requires all policies insuring against liability for personal injury or property

damage to contain provisions state the following:

- The 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
- 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.

Liability Insurance: Pollution Exclusions – Carbon Monoxide

For pollution exclusions in liability insurance to apply to carbon monoxide from residential or commercial heating systems, the form must explicitly state that pollution includes carbon monoxide from a residential or commercial heating system. Refer to § 38.2-235 of the Code.

Post-Judgment Interest (Other than Personal Auto and Homeowners Insurance)

Post-judgment interest, or interest that accrues after the entry of a judgment, is extra-contractual and is not required to be covered by the policy. If this coverage is provided, post-judgment interest must be paid in addition to the policy limits of liability. Deductibles or self-insured retentions cannot apply to post-judgment interest.

Miscellaneous Casualty Insurance

Policies of miscellaneous casualty insurance are defined in § 38.2-111(B) of the Code.

Most miscellaneous casualty insurance policies are subject to § 38.2-2200 of the Code (pertaining to insolvency, bankruptcy, and unsatisfied judgments). However, miscellaneous casualty insurance policies which do not contemplate liability coverage but instead provide coverage for loss, damage, or expense arising out of injury to the economic interests of any person, are not subject to this statute.

Umbrella/Excess Statement of Maintenance of Underlying Insurance

An umbrella or excess policy must include a statement explaining how coverage will apply if the required underlying insurance is not maintained.

Medical Professional Liability Policy Terminations

Ninety days' notice to the first named insured is required if cancellation or non-renewal is for reasons other than non-payment of premium. Refer to § 38.2-231(E)(3) of the Code. Refer to § 38.2-2800 and § 8.01-581.1 of the Code for the definitions.

Travel Insurance

Travel insurance is included within the definition of marine insurance per § 38.2-126 of the Code and is further defined in § 38.2-1887 of the Code. Property and casualty travel insurance policies that cover personal risks incidental to travel may include incidental accident and sickness insurance. However, if the accident and sickness insurance is the **primary** coverage, the policy or certificate must be filed with the Life and Health division.

Pet Insurance

Pet insurance programs provide accident and sickness coverage for domestic animals, such as dogs and cats. Insurers must be licensed for animal insurance as defined in § 38.2-116 of the Code to write pet insurance, including when offering coverage as an endorsement to personal or commercial programs, except Travel. For example, if an insurer wishes to cover injuries to a pet resulting from an automobile accident under a motor vehicle policy, the insurer must hold the animal line of authority.

Claims-Made Form Filings

Rules governing claims-made liability, including miscellaneous casualty, insurance policies are outlined in Chapter 335 of the VAC (14 VAC 5-335-10 et seq.).

The following highlights some important items to note:

14 VAC 5-335-20

- The claims-made regulation does **not** apply to incidental claims-made coverage (endorsements that amend an occurrence liability contract).

14 VAC 5-335-23

- Notices do not need to be submitted for Bureau review or approval.

14 VAC 5-335-30

- 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.
 - ❖ Advancement of any applicable retroactive date.
 - ❖ Renewal of the policy on other than a claims-made basis.

14 VAC 5-335-40

- An unlimited ERP with unimpaired limits of liability equal to the limits of the policy being extended must be offered for medical professional liability insurance coverage.
- A minimum of a one-year ERP must be offered for all other claims-made liability coverage. Insurers may offer reinstatement of limits at their discretion for other lines of business.
- The insured must be allowed at least 30 days after the termination of coverage in which to purchase the ERP.
- Once the minimum requirement has been met, higher or lower limits may also be offered.
- If the aggregate limit is reinstated, insurers are required to offer **unimpaired** limits. Insurers should refer to the definition of unimpaired limits in Chapter 335.

14 VAC 5-335-45

- Requirement to provide loss information if the aggregate limit is reinstated.

14 VAC 5-335-50

- Once in effect, the ERP cannot be cancelled by the insurer without the consent of the insured except for nonpayment of premium or fraud.
- Pursuant to § 38.2-231 of the Code, the insured always has the right to cancel an ERP. The ERP coverage can apply as excess over other coverage, but the insurer cannot void coverage if other insurance applies.

14 VAC 5-335-60

- To the extent that policy limits apply separately to each named insured, each named insured shall be separately entitled to purchase an ERP.

Auto (Motor Vehicle) Form Submissions

Section 38.2-2218 of the Code grants the Bureau the authority to establish standard policy forms and endorsements for writing motor vehicle insurance. Insurers writing motor vehicle insurance, whether personal or commercial, in Virginia must use the standard auto forms in the precise language adopted by the Bureau pursuant to § 38.2-2220 of the Code. Refer to the Bureau's website for a list of the personal and commercial auto standard forms.

Additional provisions, other than those in the standard form, or coverages more favorable than those in the standard form, may be used with a standard form by any insurer but must first be submitted to the Bureau for approval pursuant to § 38.2-2223 of the Code

For motor vehicle policies issued or renewing effective January 01, 2027, all insurers must comply with §38.2-2235 of the Code.

Unregistered Motor Vehicles under Farm Liability Policies

Insurers may provide coverage for unregistered motor vehicles, trailers, or semi-trailers under farm liability policies without such policies being required to comply with the statutes pertaining to motor vehicle insurance in Chapter 22 of Title 38.2 of the Code. Insurers will need to make specific filings to add this coverage to a farm liability policy.

Rating Information Statement Required (Personal Auto Insurance)

§ 38.2-2214 of the Code requires insurers and the Virginia Automobile Insurance Plan to prepare and submit a statement defining rate classifications. These forms summarize the factors used to develop the policy premium. Rate classification statements must be submitted for approval pursuant to § 38.2-317.

Rental Reimbursement Coverage (Personal Auto Insurance)

Every insurer issuing a new or renewal policy of personal auto insurance must offer rental reimbursement coverage as required by § 38.2-2230 of the Code. Standard form PP 13 52

Transportation Expenses – Virginia provides this coverage and must be used pursuant to § 38.2-2220 of the Code unless the company intends to broaden coverage pursuant to § 38.2-2223 of the Code.

Individual Named Insureds (Commercial Auto Insurance)

Commercial automobile policies endorsed to provide coverage for individual named insureds may also be subject to § 38.2-2230 of the Code. Refer to AL 2016-06 for additional details.

Lender-Placed Physical Damage Insurance Coverage (Collateral Protection Standard Forms)

A list of these standard forms required by AO 7245 is available upon request by contacting the Property and Casualty Division at BOIRRF@scc.virginia.gov.

Prohibited Actions

Mold Limitations or Exclusions for Ensuing Loss Not Permitted

For policies subject to §§ 38.2-2104 and 38.2-2105 of the Code, insurers must provide coverage for mold (including fungus, wet rot, etc.) ensuing from fire, lightning, or removal from a covered peril. Insurers are not permitted to use sub-limits for ensuing mold loss.

For policies subject to the minimum standards as set forth in Chapters 341 and 342 of Title 14 of the VAC for owner-occupied properties, insurers must provide coverage for ensuing mold, including fungus, wet rot, etc., except as permitted by the exclusions contained in the minimum standards.

Fellow Employee Exclusions Not Permitted in Auto Policies

Insurers are not permitted to exclude coverage for an employee of the insured in any controversy arising between employees even though one employee shall be awarded compensation under the Workers' Compensation Act (Title 65.2 of the Code). Refer to § 38.2-2207 of the Code.

Named Driver Exclusions – “Omnibus Clause”

Section 38.2-2204 of the Code (omnibus clause) prohibits the use of named driver exclusions in all policies covering **liability** for bodily injury or property damage arising from the ownership, maintenance, or use of a motor vehicle, aircraft, or private pleasure watercraft.

Exceptions exist for the following:

- Commercial Auto policies written to a named insured in the business of selling, leasing, repairing, servicing, storing, or parking motor vehicles
 - ❖ Special provisions apply to motor vehicles that are used for demonstration purposes by a prospective purchaser, loaned or leased to another as a temporary substitute while such person's vehicle is being repaired or serviced, or leased to another for a period of six

months or more. Please refer to § 38.2 -2205 of the Code for details.

- Personal Umbrella or Excess policies
 - ❖ Named driver exclusions are permitted if the insurer adheres to the requirements in subsection B of § 38.2-2204 of the Code. This statute requires that the exclusion be requested in writing by the first named insured and acknowledged in writing by the excluded driver.
- The omnibus clause does not apply to Commercial Umbrella or Commercial Excess policies.

Binding Arbitration Conditions Prohibited

Arbitration decisions may not be binding. Refer to § 38.2-312 of the Code and AL 2017-03.

Section V – Workers’ Compensation Insurance Submissions

Filings that include independent rates or supplementary rate information for workers’ compensation insurance rules that deviate from the approved National Council of Compensation Insurers, or NCCI, loss costs or supplementary rating information are subject to the provisions of § 38.2-1912 of the Code pursuant to § 38.2-1906(E) of the Code.

Insurance Coverage Forms

The Virginia Workers' Compensation Commission, or VWCC, is responsible for form review and approval for workers’ compensation insurance pursuant to § 65.2-813 of the Code. Therefore, the Bureau does not approve coverage forms applicable to workers’ compensation and employers’ liability insurance. Documents to be filed with the VWCC may be:

- Faxed to 804-418-4917,
- Hand delivered, or
- Mailed to 333 E. Franklin Street, Richmond, VA 23219.

Email is not an acceptable means of filing, as email inquiries to the Commission’s email addresses are unsecure.

If there are specific questions, please contact the VWCC Insurance Department at 804-205-3586, Monday through Friday from 8:30 a.m. until 4:45 p.m. (EST), except State holidays.

Filings Subject to § 38.2-1912 of the Code

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 60-day delayed-effect provisions of § 38.2-1912 of the Code. In addition, actuarial support must be provided under the Supporting Documentation tab. The filing may be subject to actuarial review, and additional information may be requested. Virginia law explains that a submission is not deemed to have been made until the insurer provides all necessary data.

The insurer is also required to send a notice to the Division of the Consumer Counsel of the Office of the Attorney General at 202 N 9th Street, Richmond, VA 23219 that the filing has been made.

Delay or Non-Adoption of NCCI Filings Not Allowed

Insurers must adopt all NCCI filings for use with all new and renewal policies effective on or after the effective date in the approving order. Insurers are not permitted to delay the implementation date of an NCCI loss cost filing or an approved item filing.

Loss Cost Multipliers and Rule Filings

AL 2010-05 contains Form WCLC-VA and instructions for filing expense or loss cost 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 provisions of § 38.2-1912 of the Code. 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 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.

- To explain any differences between the indicated and selected multiplier, page 2 of the form has two boxes. The first box is to indicate the difference is for "Competitive Reasons" and is the box most commonly checked, as it indicates the multiplier is representing the insurer's expenses, profit, and contingencies. The second box, "Other (explain)," is used when the selected multiplier is for reasons other than expenses, profit, and contingencies. In this case, the resulting rates will be deemed to be independent, making the filing subject to § 38.2-1912 of the Code as described above.

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

Drug-Free Workplace Premium Credits

§ 65.2-813.2 of the Code requires that insurers provide premium discounts of up to 5% for drug-free workplace programs. This discount must be specific per § 38.2-1904(C) of the Code. 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.

Small Deductible Plans

Insurers should review the requirements outlined in the NCCI Basic Manual for the Benefits Deductible Coverage Program (Small Deductible Plan). Insurers using NCCI's approved small deductible plan without modification are only required to file the Variable Expense Multiplier and Safety Factor they will use to calculate the deductible credits. Filings including modifications to NCCI's small deductible plan or an independent plan are subject to the provisions of § 38.2-1912 of the Code.

Large Deductible Plans – Filing Instructions

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, insurers must provide support for the proposed values used in the large deductible rating plan.
2. Insurers must calculate their own Retrospective Expected Loss Ratio, or RELR, 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 RELR is to be based on provisions and charges not consistent with the same values in the filed manual rates, insurers must provide support for the proposed values.

3. NCCI files Excess Loss Pure Premium Factors, or 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, insurers must provide support for the proposed values.
4. The Bureau 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. Regarding 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. Regarding 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 insurers' 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
 - 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.

Some large deductible plans may be exempt from filing requirements pursuant to § 38.2-1903 of the Code.

Waiver of Right of Subrogation

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 and other provisions of § 38.2-1912 of the Code. 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. Flat charges of \$500 or less for specific waivers or \$1,000 or less for blanket waivers are acceptable but will be subject to the 60-days delayed effect and other provisions of § 38.2-1912 of the Code. Flat charges higher than this must be supported by actuarial data.

Retrospective Rating Plans

Insurers wishing to implement retrospective rating plans are required to file the following values used in premium calculation pursuant to § 38.2-1906 of the Code:

- Expected loss ratios
- Tax multipliers
- Table of expense ratios
- Excess loss of premium factors
- Excess loss development factors

Refer to page 3 of WCLC-VA form in AL 2010-05.

Section VI – Requirements Applicable to Non-SERFF Filings

Filings submitted outside of SERFF must comply with all requirements of this handbook. In addition, paper filings must include the following:

Cover Letter, Copies, Group Submissions, and Return Envelopes

All paper filings must include a cover letter on the insurer's or third-party insurer's letterhead or a completed NAIC transmittal form. Paper filings must also include a complete copy of the filing for each insurer to which the filing applies, and group filings must be sorted and collated by insurers. These requirements also apply to responses and re-submissions. All paper filings must include an extra copy of the cover letter or an email address for acknowledgment.

Contact Information

The insurer should include a telephone number, fax number, and email address on all paper filings.

NAIC Number(s)

AL 1983-7 requires that every rule, rate, and/or form filing includes the individual NAIC number of each insurer for which the filing is being submitted. This information can be provided in a cover letter submitted with the filing.

Section VII – Statistical Report Form VA-SRF-2

Insurers are expected to designate a statistical agent for each LOI the insurer is licensed to write in Virginia and submit that information to the Bureau. The VA-SRF-2 form is used for this purpose and available on the Bureau's website.

Completing and updating the VA-SRF-2 ensures compliance with § 38.2-1919 of the Code.

When to Submit the VA-SRF-2

Below are examples of actions that require an insurer to file a VA-SRF-2.

An insurer:

- Is newly licensed in Virginia as a property and casualty insurer.
- Amends its license to add or remove one or more LOIs.
- Changes its legal name.
- Is involved in an acquisition or merger.
- Begins writing a line of insurance that it was not previously writing.
- Changes the statistical agent to whom an LOI will be reported.

Instructions for Completing the VA-SRF-2

Insurers are required to place a check mark in the form for every LOI the insurer is licensed to write in Virginia, regardless of whether the insurer is currently writing that line. A selection must be made in the dropdown box beside each licensed LOI.

If the insurer is not currently writing an LOI that it is licensed to write, the insurer should still indicate to which statistical agent it intends to report its statistical data to address the insurer writing that line in the future.

Insurers are permitted to keep statistical data in-house for LOIs that are not supported by a statistical agent. Examples are credit, credit property, credit involuntary unemployment, home protection, legal services, title, and mortgage guaranty insurance. Insurers should use the “Comments” section of the form to explain how the information will be stored (e.g., Excel, Access, internal database, etc.) and in what format the information can be provided to the Bureau (e.g., pdf, docx, xlsx, csv, etc.).

Use the “Comments” section to clarify information. For example, use this section of the form to explain the following:

- Whether the statistics for one LOI are reported under another LOI
- How statistics are reported if the insurer writes two programs for one LOI and the statistical data is reported differently for each program

Where to send a completed VA-SRF-2 form

Insurers should email completed VA-SRF-2 forms to: BOIRRF@scc.virginia.gov