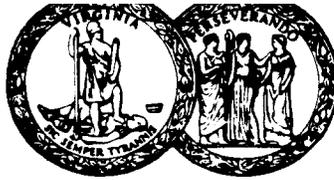


JAMES W. NEWMAN, JR.
COMMISSIONER OF INSURANCE

W. G. FLOURNOY
FIRST DEPUTY COMMISSIONER



BOX 1157
RICHMOND, VA. 2
TELEPHONE (804) 786

STATE CORPORATION COMMISSION
BUREAU OF INSURANCE

November 10, 1980

ADMINISTRATIVE
LETTER 1980-12

TO: All Insurance Companies Licensed to
Write Automobile Insurance in Virginia

RE: Assignment of Points
Safe Driver Insurance Plan

Section 38.1-279.33 of the Code of Virginia states that an insurer may not charge a point to its insured for a motor vehicle accident unless the insured was wholly or partially at fault in causing the accident. The statute goes on to provide that an insured who feels he has been wrongfully charged may appeal to the Commissioner of Insurance. A review is then conducted in accordance with Section 38.1-381.5(h) of the Code to determine whether the insurer had just cause for assigning the point.

Since a company may only charge a point when its insured was wholly or partially at fault in causing an accident, evidence to this effect must exist prior to notifying the insured of the surcharge. In order for the Bureau to make a fair judgment as to whether the insurer had just cause for assigning the point, we request the company to summarize why the point was assigned and to supply information which supports its conclusion that the insured was wholly or partially at fault.

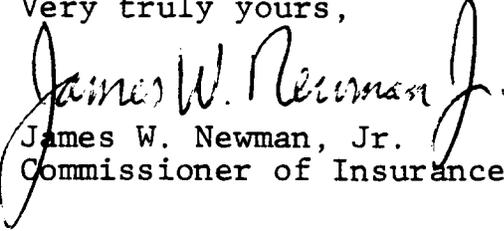
We are finding an increasing number of cases where companies are failing to provide adequate information in response to our initial inquiry to enable us to properly conclude our review. We are therefore forced to make additional requests for information which inconveniences the Bureau as well as the companies. Since the information for which the surcharge was based should be available at the time of our initial inquiry, we see no need to continue the practice of requesting additional information.

In the future, our ruling will be based solely upon the information supplied by the insured and the information the company furnishes in response to our initial inquiry. In the absence of adequate information, we will be forced to rule in favor of the insured. We feel this procedure will enable us to conclude point reviews in a more timely and equitable manner.

NOVEMBER 10, 1960

We ask that you please fill out and return the duplicate copy of this letter acknowledging receipt hereof, in order that we might appropriately mark our files.

Very truly yours,


James W. Newman, Jr.
Commissioner of Insurance

/wjo

RECEIPT ACKNOWLEDGED

Company _____

By _____

Title _____

Date _____