

ALFRED W. GROSS
COMMISSIONER OF INSURANCE



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**STATE CORPORATION COMMISSION
BUREAU OF INSURANCE**

June 8, 2009

TO: All Insurers Licensed to Write Commercial Insurance in Virginia

RE: Call for Exempted Commercial Insurance Policyholder Information

Section 38.2-1903.1 of the Code of Virginia exempts insurers from filing and approval requirements for policy forms and rates used in the insurance of certain large commercial risks. Large commercial risks are defined in subsection C of § 38.2-1903.1 as those persons or entities that have a risk manager to negotiate insurance coverage and that have at least two of the following attributes: (i) net worth in excess of \$2,000,000; (ii) annual revenues in excess of \$2,000,000; (iii) employs more than 10 full-time or full-time equivalent employees per individual insured; (iv) pays annual aggregate premiums in excess of \$25,000; (v) is a not-for-profit organization or public body generating annual budgeted expenditures of at least \$5,000,000; or (vi) is a municipality with a population in excess of 30,000. Pursuant to subsection E of § 38.2-1903.1, all insurers issuing policies under this section are required to provide the number of exempted policyholders annually to the Commission, along with an aggregation of the criteria establishing the exemption.

In order to assist insurers in complying with the reporting requirements of the Code, the Bureau has developed the attached forms to enable insurers to report in a uniform manner. These forms cover the period from July 1, 2008 to June 30, 2009. All insurers issuing policies must complete the forms and return them postmarked no later than October 15, 2009.

Form A must be completed by **all** insurers licensed to write commercial insurance in Virginia regardless of whether policies were issued to exempted commercial insureds. Form B must be completed only by those companies issuing policies to exempted commercial insureds. **Separate forms must be completed by each individual company licensed to write commercial insurance in Virginia; group reports will not be accepted.**

If you have any questions regarding this matter, please contact:

Eric C. Lowe
Principal Insurance Analyst
Bureau of Insurance
P. O. Box 1157
Richmond, VA 23218
Telephone: (804) 371-9628
Fax: (804) 371-9396
Email: eric.lowe@scc.virginia.gov

Virginia Code Section 38.2-218 provides that any person who knowingly or willfully violates any provision of the insurance laws shall be punished for each violation by a penalty of not more than \$5,000. Failure to file this report in a substantially complete and accurate manner by the due date may be considered a willful violation and may subject the insurer to an appropriate penalty.

Sincerely,

A handwritten signature in black ink that reads "Mary M. Bannister". The signature is written in a cursive style with a large, looping initial "M" and a long, sweeping tail on the "Bannister" part.

Mary M. Bannister
Deputy Commissioner of Insurance
Property and Casualty Division

Form A
Exempted Commercial Policy Report

INSURER _____ **NAIC #** _____

Please mark **one** of the following options:

- _____ The above company issued **no** policies to exempted commercial insureds pursuant to § 38.2-1903.1 during the period 7/01/2008 to 6/30/2009. (Return only this form.)
- _____ The above company issued **one or more** policies to exempted commercial insureds pursuant to § 38.2-1903.1 during the period 7/01/2008 to 6/30/2009. (Return this form and Form B.)

Signed: _____

Print Name: _____

Title: _____

Telephone: _____

Date: _____

Return to:

Eric C. Lowe
Principal Insurance Analyst
Bureau of Insurance
P. O. Box 1157
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Email: eric.lowe@scc.virginia.gov

Form B – Exempted Commercial Policy Report

INSURANCE COMPANY NAME	
NAIC Number	

(Do not report on a group basis - individual company report only)

1A. Number of Exempted Policies Issued

TOTAL NUMBER OF EXEMPTED POLICIES ISSUED WITH EFFECTIVE DATES FROM 7-1-2008 TO 6-30-2009:	
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1B. Risk Manager Qualifications

CRITERIA	NUMBER OF POLICIES APPLICABLE
Bachelor's or higher degree in risk management issued by an accredited college or university	
Designation as a CPCU issued by the American Institute for CPCU/Insurance Institute of America	
Designation as an Associate in Risk Management (ARM) issued by the American Institute for CPCU/Insurance Institute of America	
Designation as a Certified Risk Manager (CRM) issued by the National Alliance for Insurance Education & Research	
Designation as a Fellow in Risk Management (FRM) issued by the Global Risk Management Institute/Risk & Insurance Management	
At least five years of experience in one or more of the following areas of commercial property and casualty insurance: risk financing, claims administration, loss prevention, or risk and insurance coverage analysis	
Total (should equal the same number of policies issued as indicated above)	

1C. Additional Criteria Cited For Exemption

CRITERIA	NUMBER OF POLICIES APPLICABLE
Net Worth in excess of \$2 million	
Annual Revenues greater than \$2 million	
Employs more than 10 full-time or full-time equivalent employees per individual insured	
Pays annual aggregate nationwide insurance premiums in excess of \$25,000	
Is a not-for-profit organization or public body generating annual budgeted expenditures of at least \$5 million	
Is a municipality with a population in excess of 30,000	
Total (should equal at least twice the number of policies reported in 1A above)	