

COMMONWEALTH OF VIRGINIA
STATE CORORATION COMMISSION
BUREAU OF INSURANCE

AT RICHMOND, OCTOBER 10, 1979

ADMINISTRATIVE ORDER NO. 7236

**ORDER SUSPENDING THE REQUIREMENT OF FILING
CERTAIN RATES FOR WRITING BOILER AND MACHINERY
INSURANCE UNDER THE PROVISIONS OF § 38.1-279.32
[RECODIFIED AS § 38.2-1903] OF THE CODE OF VIRGINIA.**

WHEREAS, IT APPEARING to the Commission that manuals of classifications, rules and rates, and rating plans and policy forms and endorsements which have been approved or accepted for filing for use by members of rate service organizations and by independent filers for writing Boiler and Machinery Insurance in this State are not appropriate for insuring large risks which, due to their inherent nature, involve substantial areas of exposure for which rates cannot be established and which require specifically devised forms of coverage, and

WHEREAS, Many large risks, having found it impossible to purchase the insurance coverage they deem necessary from licensed insurers at such manual rates and under such policy forms and endorsements and, being well informed insurancewise, have negotiated for and placed large amounts of insurance with unlicensed foreign and alien insurers, thereby depriving the State of taxes on premiums and licensed insurers of premium income;

IT IS, THEREFORE, ORDERED:

(1) That the requirement of filing manuals of classifications, rules and rates, and rating plans for writing Boiler and Machinery Insurance in this State, as provided in Chapter 6.2 of Title 38.1 [recodified as Chapter 19 of Title 38.2], be, and it hereby is, suspended under the provision of § 38.1-279.32 [recodified as § 38.2-1903] by the entry of this order, for the risks which develop \$50,000 or more annual deposit premium, for the exposures to be insured, calculated by the insurer on the basis of the filings which have been approved or accepted for filing for its use; and

(2) That the rates affected by this order and hereafter used by insurers shall not be excessive, inadequate, or unfairly discriminatory, and the Commission hereby reserves the right, either upon its own motion or upon complaint, to make such examination or investigation with respect thereto as it may deem advisable or necessary in order to determine whether any rates affected by such suspension may be, or may become excessive, inadequate, or unfairly discriminatory.

An attested copy hereof shall be sent to every rate service organization licensed in this State; to every insurance company licensed to write Boiler and Machinery Insurance in this State; and, to the Bureau of Insurance.