

Commonwealth of Virginia

## State Corporation Commission

Division of Information Resources  
P. O. Box 1197, Richmond, Virginia 23218

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[www.scc.virginia.gov](http://www.scc.virginia.gov)

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### SCC NEWS RELEASE

Contact: Ken Schrad  
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January 7, 2014

#### SCC SEEKS COMMENTS ON DULLES GREENWAY TOLL INCREASE REQUEST

**RICHMOND** – The State Corporation Commission (SCC) is seeking comments on a request by the owners of Dulles Greenway to adjust the tolls charged for traveling the 14-mile roadway that runs between Washington Dulles International Airport and Leesburg, Virginia. Comments must be received by February 7, 2014.

Toll Road Investors Partnership II (TRIP II) filed its application on December 30, 2013. TRIP II is asking for a 2.8% increase along with a 3-cent addition for payment of an increase in local property taxes paid to Loudoun County and the Town of Leesburg.

For a 2-axle vehicle, the proposed increase equates to 15-cents, from \$4.10 to \$4.25. During peak morning and afternoon weekday periods, the proposed increase is 20-cents, from \$4.90 to \$5.10.

Written comments on the request must be submitted by February 7, 2014. All correspondence should be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and refer to case number PUE-2013-00139.

Interested persons desiring to submit comments electronically may do so at the SCC's website: [www.scc.virginia.gov/case](http://www.scc.virginia.gov/case). Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2013-00139.

SCC staff has been directed to investigate the application and file a report on February 7, 2014. The Commission will then issue an order on the company's request.

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**Case number PUE-2013-00139**

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## SCC NEWS RELEASE

Contact: Ken Schrad  
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FOR IMMEDIATE RELEASE  
January 14, 2014

### SCC SEEKS COMMENTS ON LONG TERM CARE INSURANCE REPORT PREPARED BY THE BUREAU OF INSURANCE

**RICHMOND** – The State Corporation Commission (SCC) is seeking comments on its long-term care insurance rules and on a report by the SCC's Bureau of Insurance that reviews current laws and regulations that affect the premiums charged for long-term care insurance policies in Virginia. The report, filed on October 4, 2013, identifies various reasons why many long-term care insurance policyholders have been faced with financially burdensome rate increases on their policies in recent years.

The report was the result of an order of the Commission (Case number INS-2012-00282) in which the Bureau of Insurance was directed to study premium rate increases that have occurred for long-term care insurance policies since 2009. The report posits that policyholders who are unable to afford additional premium increases are typically faced with the difficult choice of either reducing their benefits (if the policy allows such an option) or letting their coverage lapse.

The Commission has opened a new proceeding to consider whether the current rules governing long-term care insurance should be revised. In addition to commenting on the Bureau's report, the Commission seeks suggestions for possible changes to the rules.

Written comments or proposals are due on or before March 14, 2014. Correspondence should be sent to the Clerk of the Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218. All comments shall refer to case number INS-2013-00238.

Any person desiring to submit comments electronically may do so by following the instructions for submitting case comments at the following website location: <http://www.scc.virginia.gov/case/>

The Bureau's report and the current long-term care insurance regulations are also available for viewing via the Docket Search feature of the SCC website.

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**Case number INS-2013-00238** – SCC proceeding on revising long-term care insurance rules

**Case number INS-2012-00282** - SCC investigation of long-term care insurance premium rates

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14-3

## SCC NEWS RELEASE

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March 20, 2014

### SCC APPROVES RATE ADJUSTMENT FOR APPALACHIAN POWER

**RICHMOND** – The State Corporation Commission (SCC) has approved a request by Appalachian Power Company (APCo) to recover \$48.6 million in increased costs associated with electric transmission services provided to the utility.

The rate adjustment, called a Transmission Rate Adjustment Clause or T-RAC on customer bills, will become effective in May. The new charge will increase the monthly bill of a residential customer using 1,000 kilowatt hours of electricity by approximately \$3.88 or 3.5 percent.

In a December 18, 2013, application, APCo requested an increase of \$49.9 million. Following an investigation by the Commission's staff, the company and staff agreed to a lower revenue requirement for the transmission costs of \$48.6 million.

Under Virginia law, utilities may seek SCC approval to recover, through a rate adjustment clause, certain costs for transmission services provided by a regional transmission entity.

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**Case Number PUE-2013-00111**

Commonwealth of Virginia

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14-4

### SCC NEWS RELEASE

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March 20, 2014

#### SCC'S BUREAU OF INSURANCE ADVISES CONSUMERS REGARDING INSURANCE COVERAGE FOR FLOODS

**RICHMOND** – National Flood Safety Awareness Week is March 16-22, and the State Corporation Commission's (SCC) Bureau of Insurance encourages Virginians to consider floods when determining your insurance needs.

Floods can happen anywhere and at any time. They are the most common, costly, and deadly severe weather-related disaster in the United States. They can occur as a result of hurricanes, heavy rains, or melting snow. Even a few inches of water can cause major damage to your home and its contents.

The Bureau encourages Virginia residents to protect themselves and their property physically and financially *before* the waters start to rise. This includes making sure you have the insurance coverage you need.

If you live in a floodplain near a river, or if you live near the coast, Virginia Insurance Commissioner Jacqueline K. Cunningham recommends that you consider purchasing separate flood insurance for your home. However, she said, "Even low-risk communities can experience flooding. Flood insurance is one of the best ways you can get back on your feet financially following a flood, but you have to plan ahead."

Homeowners insurance policies issued in Virginia typically do not provide coverage for damage to your home and belongings due to floods. However, the federal government does sell insurance for direct flood and flood-related damage through the National Flood Insurance Program (NFIP). This federally backed flood insurance is available to homeowners, renters, and business owners in communities that adopt and enforce floodplain management ordinances to reduce future flood losses. It offers separate coverage for structures and contents, but there is a 30-day waiting period before a new flood insurance policy takes effect.

For more information about flood insurance, contact your insurance company, agent, or the NFIP at 1-888-379-9531 or visit [www.floodsmart.gov](http://www.floodsmart.gov).

Unlike homeowners insurance, auto insurance generally covers damage caused by flooding. However, the policyholder must have "other than collision" (comprehensive) coverage on their vehicle.

(more)

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This coverage pays for damage to a vehicle from such things as fire, water, hail, vandalism, glass breakage, wind, and falling objects.

Among the many publications offered by the SCC's Bureau of Insurance are consumer guides regarding homeowners and auto insurance and disaster-related property insurance claims. For copies of the guides or answers to your insurance questions, contact the Bureau of Insurance Property and Casualty Consumer Services Section by calling (804) 371-9185 (in Richmond) or 1-877-310-6560 (toll-free nationwide). Consumers who are deaf or hearing or speech impaired may call through the SCC's Telecommunications Device for the Deaf and hard of hearing (TDD) at (804) 371-9206. Copies of the consumer insurance guides are also available on the Bureau's website at [www.scc.virginia.gov/boi](http://www.scc.virginia.gov/boi).

For additional emergency preparedness information relating to floods and other types of disasters, visit [www.ready.virginia.gov](http://www.ready.virginia.gov). This statewide public education effort is designed to prepare Virginians for all kinds of hazards.

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## SCC NEWS RELEASE

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April 15, 2014

### **SCC Sets Schedule to Consider Appalachian Power Biennial Review, Rate Structure Changes, and New Demand-side Management Programs**

**Richmond** – The State Corporation Commission (SCC) has set a schedule for its financial review of Appalachian Power Company (APCo) which includes a review of the earnings produced by the current rates the company charges for generation, distribution, and transmission services. The company proposes a number of rate structure changes that the company indicates would not generate any additional annual operating revenue. The changes, however, may cause some customer bills to be higher or lower, as a result.

As part of its March 31 filing, the company is proposing to increase the monthly residential customer charge from \$8.35 to \$16, a line item charge a customer pays regardless of the amount of electricity consumed. To offset the increase in the monthly customer charge, the base rate applied to each kilowatt-hour of electricity consumed would be adjusted lower accordingly. The company is also seeking to establish two new residential demand-side management programs and approval of a standby charge to be applicable to certain customer-generators that net meter.

A Commission decision resulting from an earnings test and other ratemaking and accounting determinations during this financial review is expected in mid-to-late November (Case number PUE-2014-00026). Any changes to the rate structures resulting from that final order would take effect in early 2015.

In addition to the financial review filing, the company also submitted on March 31 a proposal to lower a renewable portfolio standard (RPS) rate rider that, if approved, is expected to decrease the monthly bill of a residential customer using 1,000 kilowatt-hours of electricity by \$1.74. The Commission has set a separate schedule for that application (Case number PUE-2014-00007).

Any person wishing to submit written comments on the company's proposed adjustments may do so electronically by following the instructions on the Commission's website at: <http://www.scc.virginia.gov/case>.

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If not filed electronically, written comments may be submitted to the Document Control Center of the Clerk's Office of the Commission, P.O. Box 2118, Richmond, Virginia 23218. All comments should refer to the proper case number, either PUE-2014-00007 (deadline is August 19, 2014) or PUE-2014-00026 (deadline is September 9, 2014).

The SCC hearing on the RPS rate rider case is set for August 26, 2014. The SCC hearing on its review of base rates is set for September 16, 2014. Both hearings begin at 10 a.m.

Any person wishing to appear as a public witness should arrive early and sign in with the Commission bailiff. Each hearing will be held in a Commission courtroom on the second floor of the Tyler Building, 1300 East Main Street in downtown Richmond.

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**Case number PUE-2014-00007 – APCo RPS rider**

**Case number PUE-2014-00026 – APCo biennial review of rates, terms and conditions**

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14-6

### SCC NEWS RELEASE

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May 14, 2014

#### SCC APPROVES ELECTRIC GENERATING FACILITY IN LOUDOUN COUNTY

**RICHMOND** – The State Corporation Commission (SCC) has approved a request by Green Energy Partners/Stonewall LLC to build a 750 megawatt natural gas-fired generating facility in Loudoun County.

In its final order, the SCC found that the project is in the public interest and is likely to produce significant economic benefits in terms of jobs, taxes, and revenues in Loudoun County.

Stonewall proposes to build the power plant on a 101-acre site located south-southeast of the Leesburg Executive Airport and north of the Dulles Greenway at 20077 Gant Lane. The site is approximately four miles southeast of Leesburg.

The facility will include two combustion turbines, two heat recovery steam generators with duct burners, and one steam turbine generator. According to the company, the facility will be a zero liquid discharge facility using reclaimed water from the Leesburg waste water treatment facility.

Stonewall expects the facility to begin commercial operation in March 2017 and estimates the capital cost of the facility to be approximately \$500 million.

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**Case Number PUE-2013-00104**

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14-7

## SCC NEWS RELEASE

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May 19, 2014

### SCC SETS SCHEDULE TO CONSIDER TWO DOMINION VIRGINIA POWER RATE REQUESTS

**RICHMOND** — The State Corporation Commission (SCC) will hold hearings on July 1 and August 19 to receive public testimony in two cases involving rate increases proposed by Dominion Virginia Power (DVP).

The first request to be considered by the SCC in case PUE-2014-00021 is a proposed rate adjustment to recover costs for electric transmission service provided to DVP by a regional transmission entity. If approved, the monthly bill of a residential customer using 1,000 kilowatt-hours per month would increase by \$1.91, or approximately 1.7 percent. Public comments are due on June 24, 2014. A public hearing in Richmond is scheduled for July 1 at 10 a.m.

In case PUE-2014-00033, the SCC will consider a request by DVP to increase the fuel rate, the portion of the electric bill that pays for the cost of fuel used to generate electricity and purchase power from other utilities and power producers.

The revised fuel rate of 3.018 cents per kilowatt-hour will be placed into effect on an interim basis for usage on and after July 1, 2014. For the average residential customer, the fuel rate increase means the monthly bill for 1,000 kilowatt-hours of electricity will increase \$4.46, or approximately 4.1 percent. Comments are due on August 7, 2014. A hearing is scheduled for August 19 at 10 a.m.

The hearings will be held in the SCC's courtroom on the second floor of the Tyler Building, 1300 East Main Street in downtown Richmond. Persons wishing to comment at the hearings should arrive early and notify the SCC bailiff.

Written comments on any of these requests may be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Please refer to the proper case number.

Persons desiring to submit comments electronically may do so at the SCC's website at <http://www.scc.virginia.gov/case>. Click on the PUBLIC COMMENTS/NOTICES link, find the correct case number, and hit the SUBMIT COMMENTS button for that specific case.

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**Case PUE-2014-00021** – Dominion Virginia Power Transmission Rate Adjustment Clause

**Case PUE-2014-00033** – Dominion Virginia Power Revise Fuel Factor

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14-08

**SCC NEWS RELEASE**

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May 23, 2014

**SCC CLOSES RICHMOND-BASED LIFE LINE CREDIT UNION;  
MEMBERS ASSUMED BY VIRGINIA CREDIT UNION**

**RICHMOND** – The State Corporation Commission (SCC) has closed Richmond-based Life Line Credit Union, Inc. The SCC's Bureau of Financial Institutions and the National Credit Union Administration (NCUA) took control of the credit union at 4:00 p.m. Friday (May 23). The NCUA Board has been named receiver.

Virginia Credit Union, Inc. is assuming all member shares. Life Line Credit Union members become members of the Virginia Credit Union and should experience no interruption in deposit services. Members may contact the Virginia Credit Union about share accounts beginning Tuesday, May 27 at (804) 323-6800 or toll free at 800-285-6609.

NCUA's Asset Management and Assistance Center will take charge of Life Line Credit Union's assets and loans and will be sending information in the near future to individuals who have such loans. Members with questions about their loans may call the NCUA center toll free at 877-715-0777.

The SCC acted pursuant to Section 6.2-1313 B of the Code of Virginia which authorizes the Commission to close a state-chartered credit union and take charge of its books, assets and affairs if a credit union is found to be insolvent. The SCC applied to the Circuit Court of the City of Richmond to have the NCUA Board appointed receiver.

Life Line Credit Union had one office located at the North Medical Office Building of St. Mary's Hospital, 5855 Bremono Road (Suite 701) in Richmond. It has held a state credit union charter since 1969. The credit union had more than 2,000 members with assets of approximately \$7.9 million.

Virginia Commissioner of Financial Institutions E. Joseph Face, Jr., reminds credit union members that share accounts of all Virginia credit unions are insured by the NCUA. The National Credit Union Share Insurance Fund insures individual accounts up to \$250,000 and joint accounts up to \$250,000 per member.

Members with additional questions about their insurance coverage may also visit [www.MyCreditUnion.gov](http://www.MyCreditUnion.gov).

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**Case number BFI-2014-00027**

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14-09

### SCC NEWS RELEASE

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May 27, 2014

#### SCC'S BUREAU OF INSURANCE ENCOURAGES VIRGINIANS TO PREPARE NOW FOR HURRICANE SEASON

**RICHMOND** – Virginians are no strangers to hurricanes and the devastation they can bring. In conjunction with National Hurricane Preparedness Week May 25-31, the State Corporation Commission's Bureau of Insurance encourages Virginians to develop a plan to protect themselves physically and financially before the winds and rains arrive. This includes making sure you have the insurance coverage you need.

Hurricane season runs from June 1 through November 30 each year. No matter where you live in Virginia, hurricanes and their resulting flooding can threaten lives and property. Once a hurricane develops in the Atlantic, it will be difficult to find an insurance company willing to write related coverage until the storm threat passes.

"It's never too early to start planning for hurricanes and other disasters," said Virginia Insurance Commissioner Jacqueline K. Cunningham. "If you are a homeowner, renter, or business owner, make sure you have the insurance coverage you need *before* the first hurricane begins to brew."

Review your existing insurance policy carefully so you know what it does and does not cover. Contact your insurance agent or company or the Bureau of Insurance if you have any questions.

Some homeowners policies contain a special deductible for wind or hurricane losses. Some insurance companies automatically include a wind or hurricane deductible, while others offer this deductible at the policyholder's option. The deductible is the amount that you are responsible for paying before the insurance company pays its portion of the claim.

Wind or hurricane deductibles may be written as a flat amount, such as \$1,000. Or, they may be applied to the loss as a percentage of the insurance coverage on the dwelling. For example: assume a hurricane causes damage amounting to \$3,000 and the dwelling is insured for \$100,000. If the policy has a two-percent hurricane deductible, the insured would pay \$2,000 and the insurance company would pay \$1,000. The amounts of these deductibles may vary depending upon where you live, so the Bureau suggests that you shop around and compare prices and terms.

The Bureau reminds Virginians that most hurricane damage comes from flooding, not high winds. Homeowners insurance policies issued in Virginia generally do not provide coverage for damage to

(more)

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your home and belongings due to floods. However, the federal government does sell insurance for direct flood and flood-related damage to residents of eligible communities through its National Flood Insurance Program (NFIP). There is a waiting period for flood insurance policies to take effect. To learn more about this program, contact your insurance agent or the NFIP at 1-888-379-9531 or visit [www.floodsmart.gov](http://www.floodsmart.gov). Find out whether your flood policy provides coverage for your contents.

Policyholders may also want to consider the following:

- Does your insurance pay replacement costs, or actual cash value for a covered loss?
- Are contents of your home covered in the event of a hurricane? Homeowners policies generally cover contents up to specified limits, but additional coverage may be purchased.
- Are automobiles and other vehicles covered in the event of a hurricane or other windstorm?
- Are you covered in the event your sewer backs up?

Ask your insurance agent or company how you can reduce the severity of a loss, should a hurricane strike. If you must evacuate, know the name of your insurance company and take your homeowners, auto, and other insurance policies with you. They will contain your policy number and the phone number of your insurance company in case you have questions or need to file a claim.

Prepare a complete inventory of your personal property ahead of time including serial numbers, photographs and videotapes. The National Association of Insurance Commissioners' free smartphone app – *myHOME Scr.APP.book* – makes creating a home inventory easier than ever. Download the app from iTunes or Google Play. Keep your home inventory in a safe place, and take it with you if you evacuate. If your property is damaged by a hurricane, make any necessary emergency repairs and take reasonable steps to protect your property from further damage. Make a list of all damage to the house and its contents and include photographs, notes, and repair-related receipts.

The Bureau of Insurance offers free consumer guides for homeowners and commercial property owners with information about what to do when a disaster strikes. These and many other consumer insurance guides are available on the Bureau's website at [www.scc.virginia.gov/boi](http://www.scc.virginia.gov/boi).

The Bureau's specially trained staff can assist consumers with their insurance-related questions and concerns. For more information, contact the Bureau of Insurance Property and Casualty Division toll-free at 1-877-310-6560 or in Richmond at (804) 371-9185. Consumers who are hearing or speech impaired may call through the SCC's Telecommunications Device for the Deaf and hard of hearing (TDD) at (804) 371-9206.

For additional emergency preparedness information relating to hurricanes and other types of disasters, visit [www.readyvirginia.gov](http://www.readyvirginia.gov). This statewide public education effort is designed to prepare Virginians for all kinds of hazards.

# # #

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14-10

### SCC NEWS RELEASE

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May 30, 2014

#### SCC SETS SCHEDULE TO CONSIDER IMPROVEMENTS TO HIGH VOLTAGE TRANSMISSION GRID IN FAUQUIER AND PRINCE WILLIAM COUNTIES

**RICHMOND** – The State Corporation Commission (SCC) will hold a local public hearing in August regarding an application by Dominion Virginia Power to upgrade and improve various transmission facilities located in Fauquier and Prince William Counties in Northern Virginia. The company's Warrenton-Wheeler reliability project involves some new high-voltage transmission line construction and the rebuild and conversion of existing lines including one that extends into Loudoun County.

In its application, the company states the various projects are necessary to provide reliable electric service to its Northern Virginia customers who are served by these facilities which also provide transmission service to Northern Virginia Electric Cooperative. Dominion Virginia Power estimates the cost of the project to be more than \$109 million. If approved, certain facilities would be completed in the summer of 2017. Others would be placed in service in the summer of 2018.

The local public hearing will be held on August 20, 2014. One session begins at 4 p.m. and another at 7 p.m. at Patriot High School, 10504 Kettle Run Road in Nokesville, Virginia. The public evidentiary hearing will be held on September 30, 2014 at 10 a.m. in the Commission's second floor courtroom located in the Tyler Building at 1300 East Main Street in downtown Richmond.

Any person wishing to comment at these hearings should arrive early and sign in with the SCC bailiff. The audio of the Richmond hearing will be webcast via the SCC website. Instructions can be found on the SCC website at <http://www.scc.virginia.gov/case>.

Written comments on the proposal must be submitted by September 23, 2014. All correspondence should be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and refer to case number PUE-2014-00025.

Persons desiring to submit comments electronically may do so at the SCC's website: [www.scc.virginia.gov/case](http://www.scc.virginia.gov/case). Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2014-00025.

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**Case Number PUE-2014-00025** – Warrenton-Wheeler 230-kV reliability project

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14-11

### SCC NEWS RELEASE

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May 30, 2014

#### SCC SCHEDULES HEARING FOR COLUMBIA GAS RATE REQUEST

**RICHMOND** - The State Corporation Commission (SCC) has scheduled a December public hearing on a request by Columbia Gas of Virginia to increase its rates. The company is seeking recovery of costs associated with system improvements for safety and reliability, and from the implementation of its pipeline safety program.

Columbia Gas has also proposed thermal-based (Dth) billing, which calculates customer bills based on the heat content of the gas burned instead of the volume of gas delivered, which is volumetric (Mcf) based.

If approved, the company estimates the average monthly bill of a typical residential customer will increase by \$6.90, beginning October 2014. The company plans to implement thermal-based billing beginning in January 2016.

Columbia Gas estimates the rate and billing changes will generate annual revenue of \$31.8 million, which includes an increase of \$24.9 million and the \$6.9 million that is currently being recovered through a rate rider for its SAVE program.

The public hearing will be held on December 9, 2014 at 10 a.m. in the Commission's second floor courtroom located in the Tyler Building at 1300 East Main Street in downtown Richmond. Any person wishing to comment at the hearing should arrive early and sign in with the SCC bailiff. The audio portion of this hearing will be webcast via the SCC website. Webcast information can be found on the SCC website at <http://www.scc.virginia.gov/case>.

Written comments on the company's proposal must be submitted by December 2, 2014. All correspondence should be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and refer to case number PUE-2014-00020.

Persons desiring to submit comments electronically may do so at the SCC's website: <http://www.scc.virginia.gov/case>. Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for case number PUE-2014-00020.

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Case number PUE-2014-00020 - Columbia Gas of Virginia Base Rate Adjustment  
Case number PUE-2011-00049 - Columbia Gas of Virginia SAVE Plan and Rider

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## SCC NEWS RELEASE

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June 30, 2014

### SCC'S BUREAU OF INSURANCE ENCOURAGES VIRGINIANS TO EXAMINE INSURANCE BENEFITS WHEN MAKING A JOB CHANGE DECISION

**RICHMOND** – As the economy improves, many Americans are voluntarily changing jobs, often motivated by a desire to improve their financial situation. The State Corporation Commission's (SCC) Bureau of Insurance encourages Virginians to consider all of the financial implications of a job change – including insurance benefits – before making the move.

“Salary is not the only factor to consider when evaluating a new job opportunity,” said Virginia Insurance Commissioner Jacqueline K. Cunningham. “Insurance benefits are among the other important financial considerations.”

A recent survey by the National Association of Insurance Commissioners (NAIC) revealed that new hires who focus on salary alone may actually find themselves in worse financial shape after a move. According to that study, 40 percent of voluntary job switchers cited “improve my financial situation” as a key influence on their decision to quit. The survey also revealed that while 73 percent of job switchers spent some or significant time thinking about salary, only 41 percent spent as much time considering insurance benefits, and less than 30 percent thought as much about out-of-pocket costs or insurance coverage effective dates before changing jobs.

Some NAIC survey respondents indicated that ignoring insurance benefits when considering a new job was costly. Nearly 25 percent of job switchers surveyed said after accepting a new job that insurance-related changes either “slightly or greatly worsened” their overall financial situation.

To help avoid surprises, the Bureau of Insurance encourages Virginians to visit the NAIC's *Get Ready* resources for changing jobs, available at [InsureUOnline.org](http://InsureUOnline.org). The resource kit includes tips and tools, challenging questions to ask yourself, and a *Take Action Now* checklist of things to do before deciding whether to take a new job.

Questions to consider include:

- Beyond salary, what are some other financial implications of making a job change?
- What options do I have to cover medical expenses while I am between jobs?
- If something catastrophic happens to me between jobs, is my family protected?

(more)

Before accepting a new job, do the following:

- Compare your current health plan with the plans offered by the new employer to ensure the available mix of deductibles, co-pays, and coinsurance will cost-effectively meet your needs. Ask the new employer about any waiting periods before health insurance coverage takes effect.
- See if your current group life insurance plan has a conversion privilege. If so, you may have up to 31 days after leaving your current job to apply for coverage.
- If you have group disability coverage, find out if you can convert coverage into a portable individual disability plan that stays with you from job to job.
- If your job change includes a move, check your homeowners insurance policy to make sure your personal possessions are covered in-transit. If not, consider a floater policy.

For additional information and assistance on a variety of insurance-related topics, call the Bureau of Insurance toll-free at 1-877-310-6560 or visit its website at [www.scc.virginia.gov/boi](http://www.scc.virginia.gov/boi). For a summary of the job change survey commissioned by NAIC, visit <http://newsroom.naic.org>.

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Commonwealth of Virginia

# State Corporation Commission

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## SCC NEWS RELEASE

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July 9, 2014

### STATE CORPORATION COMMISSION ADOPTS REGULATORY CHANGES TO STRENGTHEN PROTECTIONS AGAINST UNINTENTIONAL LAPSES OF LONG-TERM CARE INSURANCE POLICIES

**RICHMOND** – The Bureau of Insurance of the State Corporation Commission is encouraging long-term care insurance policyholders in Virginia to take advantage of revised regulatory requirements that strengthen protections against unintentional lapses in coverage due to nonpayment of their premiums.

While long-term care insurers in Virginia have long been required to provide policyholders with the option to designate a third party to receive notice of an impending policy lapse, the verification of delivery of such notice has been strengthened in accordance with regulatory revisions recently adopted by the Commission.

Effective January 1, 2015, long-term care insurers will be required to retain written receipt evidencing mailing of the notice to the designated individuals. The insurers also must retain evidence of the mailing of the notice for at least three years following the date of mailing.

The notice of lapse or termination of the policy for nonpayment of a premium is required to be sent at least 30 days prior the effective date of such lapse or termination. The notice will be sent to the insured and the person designated by the insured to also receive such notice.

Long-term care insurance policies are designed to assist aging individuals with some or all of the costs of medical and personal care provided in the home, an assisted living facility, a nursing home, or through a community program such as adult day-care. Typically purchased several years before such services are needed, a person's ability to be cognizant of the financial obligation to pay premiums may decline with age.

Designating a back-up person to receive notice of a pending lapse in coverage helps protect policyholders from accidental lapses or even termination of coverage. The new proof-of-mailing provisions will assist the SCC's Bureau of Insurance in determining whether a notice of lapse or termination was properly sent by the insurance company.

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**Case number INS-2014-00019**

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## SCC NEWS RELEASE

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August 5, 2014

### SCC SETS HEARING ON WORKERS' COMPENSATION PREMIUM LEVEL ADJUSTMENTS

**RICHMOND** – The State Corporation Commission (SCC) has scheduled an October hearing to consider a request filed by the National Council on Compensation Insurance, Inc. (NCCI) to adjust the premium levels charged for workers' compensation insurance.

Workers' compensation insurance provides medical care and wage replacement benefits to injured workers. Almost all Virginia employers are required to carry the coverage.

NCCI has proposed a decrease in the overall premium level for the industrial classification in the assigned risk plan and for the federal classification in the voluntary market and assigned risk plan. It has proposed an increase in the overall premium level for the industrial, surface coal mine, and underground coal mine classifications in the voluntary market and the surface and underground coal mine classifications in the assigned risk plan.

The proposed changes, which would become effective on April 1, 2015, for new and renewal workers' compensation policies, are as follows:

<u>Class</u>	<u>Voluntary Market Loss Costs</u>	<u>Assigned Risk Rates</u>
Industrial	+0.9%	-2.9%
"F" (Federal)	-9.3%	-14.7%
Coal Mines (Surface)	+15.0%	+6.9%
Coal Mines (Underground)	+10.1%	+1.7%

NCCI, a Florida-based ratemaking organization, represents insurance companies licensed to write workers' compensation insurance in Virginia.

The SCC hearing on the proposed changes is scheduled for 10 a.m. on Tuesday, October 21, 2014, in the Commission's second floor courtroom located in the Tyler Building, 1300 East Main Street, in

(more)

downtown Richmond. Anyone wishing to speak at the hearing as a public witness should arrive by 9:45 a.m. and sign in with the Commission bailiff.

Written comments on the proposed changes must be submitted by October 7, 2014. All correspondence should be sent to the Clerk of the State Corporation Commission, Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118, and refer to case number INS-2014-00172.

Interested persons desiring to submit comments electronically may do so at the SCC's website at [www.scc.virginia.gov/case](http://www.scc.virginia.gov/case). Click on the PUBLIC COMMENTS/NOTICES link and then the SUBMIT COMMENTS button for case number INS-2014-00172.

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**Case number INS-2014-00172**

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August 11, 2014

#### **AUGUST 11 IS NATIONAL 811 DAY;** **THE SCC REMINDS EVERYONE TO CALL 811 BEFORE DIGGING**

**RICHMOND** - August 11 is National 811 Day. A perfect day to remind all homeowners and professional excavators of the importance of always calling 811 before beginning any digging or demolishing project.

It is a simple and free call that connects you to VA811 (formally known as Miss Utility), which notifies the appropriate utility companies of your intent to dig. Utility locators come to your project area, in the time allowed by law, to mark the approximate horizontal location of the underground utility lines by means of paint, stakes, or flags. Once marked, hand digging is required within 24 inches of these marks for safe excavation.

The State Corporation Commission (SCC) is the agency responsible for enforcing the Virginia Underground Utility Damage Prevention Act. SCC Utility and Railroad Safety Division Director Massoud Tahamtani says, "On August 11 and throughout the year homeowners and contractors alike are reminded to call 811 before digging to prevent damage to underground utility lines."

Many vital utility services are provided to our homes and businesses by underground utility lines. According to Tahamtani, "Whenever an underground utility line is damaged, the consequences can be far-reaching and can include personal injury or worse. Also at stake are environmental damage, economic loss, and disruption of vital utility services that we use on a daily basis." He added, "Damaging an underground utility line can lead to liability claims and civil penalties against the responsible party."

VA811 is open Monday through Friday, 7 a.m. to 5 p.m., excluding legal state and national holidays. Emergency notifications, however, can be made 365-days-a-year, 24-hours-a-day for excavations involving emergencies as defined in the Virginia Underground Utility Damage Prevention Act.

Virginia's C.A.R.E. message reminds you to call VA811 and avoid damage to underground utility lines. C.A.R.E. means:

Call 811 before you dig.

- more -

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Allow the required time for marking.

Respect and protect the marks.

Excavate carefully.

To learn more about "Digging with C.A.R.E." and Virginia's damage prevention program, contact the SCC's Division of Utility and Railroad Safety at (804) 371-9980; or visit <http://www.scc.virginia.gov/urs/mutility/index.aspx>.

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## SCC NEWS RELEASE

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September 12, 2014

### VIRGINIA'S MID-SIZED INVESTMENT ADVISERS ARE ADDRESSING CYBERSECURITY RISKS

**RICHMOND** – A majority of mid-sized registered investment advisers in Virginia have policies and procedures in place related to technology or cybersecurity and few have experienced cyberattacks. Those are the findings of a pilot project in which the State Corporation Commission's (SCC) Division of Securities and Retail Franchising recently participated.

Nine states were involved in the project, which was designed to help state securities departments better understand the cybersecurity practices of state-registered investment advisers, which account for more than half of the registered investment advisers conducting business in the United States.

"Keeping confidential information secure is a critical concern at the SCC. It is important for us to know how issues of cybersecurity impact investment advisers under our jurisdiction," said Ron Thomas, director of the SCC's Securities Division.

A survey, conducted in July 2014 as part of the pilot project, found that 2.17 percent of responding investment adviser firms in Virginia indicated they had experienced a cybersecurity incident and 3.41 percent indicated they had experienced theft, loss, unauthorized exposure, or unauthorized use of or access to confidential information.

The survey also found that 66.28 percent of those firms have undergone a cybersecurity risk assessment and 75 percent have policies and procedures related to technology or cybersecurity.

"The relatively low rate in cybersecurity incidents identified in the pilot survey is encouraging. However, cyberattacks are on the rise in the financial services industry and I urge investment advisers registered in Virginia to remain vigilant in their efforts to guard against unauthorized access to confidential information," Thomas said.

A total of 99 registered investment advisers with assets under management of less than \$100 million in Virginia responded to the pilot project survey. Thomas said the information gained by the study will help state securities regulators develop recommended cybersecurity practices for consideration by state-registered investment advisers.

(more)

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The survey was developed with the assistance of the North American Securities Administrators Association (NASAA), of which the SCC's Securities Division is a member. The pilot project was designed to help regulators better understand the technology and data practices of state-registered investment advisers; how these advisers communicate with clients; and what types of policies and procedures these advisers currently maintain. The pilot project also focused on specific uses of technology and websites, with a goal of understanding the safeguards used by state-registered investment advisers to protect client information; to inform state examination programs; and to identify national cybersecurity trends relevant to state-registered investment advisers.

A compilation of the survey results is available on the NASAA website at [www.nasaa.org](http://www.nasaa.org).

For questions or concerns regarding investment advisers or other financial service professionals, contact the SCC's Division of Securities and Retail Franchising toll-free (in Virginia) at 1-800-552-7945 or in Richmond at (804) 371-9051 or visit its website at [www.scc.virginia.gov/srf](http://www.scc.virginia.gov/srf).

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## SCC NEWS RELEASE

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September 17, 2014

### SCC'S BUREAU OF INSURANCE REMINDS VIRGINIANS TO REVIEW THEIR PROPERTY COVERAGE BEFORE A HURRICANE OR OTHER DISASTER

**RICHMOND** -- With more than two months left in hurricane season, the Virginia State Corporation Commission's (SCC) Bureau of Insurance reminds Virginians to remain vigilant when it comes to protecting their property from loss.

Hurricane season runs through November 30, and the Bureau encourages homeowners, renters, and business owners to review their insurance policies now to make sure they have enough coverage in the event of a hurricane or other disaster. Know what each policy does and does not cover and contact your insurance agent or company or the Bureau of Insurance if you have any questions.

No matter where you live in Virginia, hurricanes and their accompanying winds and rains can threaten lives and property. Once a hurricane develops in the Atlantic, it will be difficult to find an insurance company willing to write related coverage until the storm threat passes.

"Whether you are a homeowner, renter, or business owner, the time to prepare for hurricanes and other disasters is now," said Virginia Insurance Commissioner Jacqueline K. Cunningham. "Make sure you have the insurance coverage you need *before* a hurricane starts to form," she said.

The Bureau encourages policyholders to consider the following:

- **Does your homeowners policy contain a special deductible for wind or hurricane losses?** These deductibles are applied separately from any other deductible on a homeowners policy. The deductible is the amount that you are responsible for paying before the insurance company pays its portion of the claim. Some companies require these deductibles, while others offer them at the policyholder's option. The amount and application of these deductibles may vary by insurance company, home value, location, and other factors. They may be written as a flat amount, such as \$1,000, or may be applied to a loss as a percentage of the insurance coverage on the dwelling.
- **Is your home covered in the event of a flood, surface water, or storm surge?** Homeowners insurance policies issued in Virginia generally do *not* provide coverage for damage to your home and belongings due to floods. However, flood insurance is available through the National Flood Insurance Program (NFIP). Contact your insurance agent or company about

(more)

purchasing this coverage or visit the NFIP website at [www.floodsmart.gov](http://www.floodsmart.gov). In most cases, there is a 30-day waiting period for this coverage to take effect.

- Are vehicles covered in the event of a hurricane or windstorm? If you have comprehensive coverage on your automobile policy, your vehicles generally would be covered.
- Does your homeowners policy provide any coverage for such things as sewer backup? Most homeowners policies do not provide coverage for sewer backup, but policyholders may purchase additional coverage for this.

Ask your insurance company or agent how you can minimize property damage and, if such damage occurs, how to expedite the processing of claims with your insurance company. Prepare an inventory of your personal property ahead of time including photographs, videotapes, and serial numbers. The National Association of Insurance Commissioners' free smartphone app – *myHOME Scr.APP.book* – makes creating a home inventory easier than ever. Download the app from iTunes or Google Play. Keep this inventory, as well as your insurance policy and all of your important documents, in a safe location away from your home. If you must evacuate, know the name of your insurance company and take your homeowners, auto, and other insurance policies with you. They will contain your policy number and the phone number of your insurance company in the event you have questions or need to file a claim.

If your property is damaged by a hurricane or other disaster, call your insurance agent or company as soon as possible. Make any necessary emergency repairs and take reasonable steps to prevent further damage to your property. Record all damage to your property and include photographs, notes, and repair-related receipts.

The Bureau of Insurance has specially trained staff who can help consumers with disaster-related insurance questions or problems. For more information, contact its Property and Casualty Division at (804) 371-9185 or toll-free at 1-877-310-6560. Consumers who are hearing or speech impaired may call through the SCC's Telecommunications Device for the Deaf and hard of hearing (TDD) at (804) 371-9206.

The Bureau offers free consumer homeowners, auto, and commercial insurance guides, as well as disaster guides for homeowners and businesses. These and many other consumer insurance guides are available on the Bureau's website at [www.scc.virginia.gov/boi](http://www.scc.virginia.gov/boi).

For additional emergency preparedness information relating to hurricanes and other types of disasters, visit [www.ready.virginia.gov](http://www.ready.virginia.gov). This statewide public education effort is designed to prepare Virginians for all types of hazards.

Commonwealth of Virginia

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FOR IMMEDIATE RELEASE  
September 26, 2014

#### **SCC HOLDS 23rd ANNUAL NATURAL GAS PIPELINE SAFETY CONFERENCE;** **Nearly 320 are attending the 3-day conference in Virginia Beach**

**RICHMOND** – More than 300 natural gas operators and pipeline contractors vital to the success of the Commonwealth of Virginia's programs for pipeline safety will be attending the 23rd annual conference hosted by the State Corporation Commission's Division of Utility & Railroad Safety. The pipeline safety conference will be held September 30 to October 2 in Virginia Beach.

Among the conference topics are presentations on pipeline integrity management program compliance issues and solutions; safety management systems and the importance of a strong safety culture; innovative technologies to enhance pipeline safety; lessons learned from gas incidents; and other related issues.

"This annual event is a critical component of our outreach and education efforts to ensure that Virginia's natural gas infrastructure is safe and meets all federal pipeline safety regulations," said Utility & Railroad Safety Division Director Massoud Tahamtani.

In Virginia, the damage prevention program has helped reduce excavation damage to underground pipelines by more than 70 percent over the last 18 years. In addition, under Virginia's Steps to Advance Virginia's Energy (SAVE) program, the Commission has authorized several natural gas operators to employ accelerated replacement programs to address the associated risks with aging cast iron and bare steel pipes.

Since the beginning of the SAVE programs in 2006, nearly 115 miles of cast iron and ductile iron pipe has been replaced by local gas distribution companies. Another 200 miles of bare steel pipe has been replaced. The cost of these infrastructure replacement programs are recovered through an additional rate surcharge approved by the Commission and is included in the monthly bill of gas customers.

City gas systems have eliminated nearly 300 miles of iron pipe and another 20 miles of bare steel over the same time period. The recovery of the cost of these replacement efforts is determined by the local governing body which sets the rates and charges imposed on customers of municipal systems.

Virginia's pipeline safety and damage prevention programs are performed pursuant to state law. The State Corporation Commission has been designated as the appropriate state agency for the Commonwealth of Virginia to prescribe and enforce compliance with federal safety standards for gas pipeline facilities used for intrastate transportation.

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**SCC NEWS RELEASE**

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October 14, 2014

**SCC SEEKS COMMENTS ON PROPOSED RULES GOVERNING  
LONG-TERM CARE INSURANCE**

**RICHMOND** – The State Corporation Commission (SCC) is proposing revisions to the rules governing long-term care insurance following an extensive Bureau of Insurance study of the long-term care insurance market in Virginia and across the nation. The SCC had directed the Bureau to conduct such a review which included an analysis of the premium rate increases that have occurred on long-term care insurance policies in recent years.

The proposed rule revisions serve to address some of the problems both consumers and insurers have encountered with long-term care insurance. A recent Bureau report noted that long-term care premium rate increases are largely the result of insurers' failure to adequately anticipate future claim costs given the lack of credible experience data that was available when they originally designed and priced the products. The increases have been a financial hardship on policyholders who are faced with difficult choices such as reducing their benefits, if given the option, or allowing their coverage to lapse.

While the proposed revisions are not expected to eliminate premium increases in the future, the revised rules should create a regulatory framework under which the rate review process will be strengthened. As proposed, insurers would be required to continuously monitor market experience and insurers would undergo a more deliberate review and justification of any planned premium adjustments. The rule revisions would also provide consumers greater disclosure regarding premium rate practices and enhance notices of any rate adjustments.

The proposed rules, in part, incorporate recent revisions of the National Association of Insurance Commissioners' model regulation regarding long-term care premium rate increases.

Any person desiring to comment or request a hearing on the proposed rules should do so by December 1, 2014. Comments can be submitted in writing or electronically via the SCC web site.

On-line submissions can be done by following the instructions at [www.scc.virginia.gov/case](http://www.scc.virginia.gov/case). Simply click on the comment button for case number INS-2013-00238. Written comments can be sent to the Document Control Center, P. O. Box 2118, Richmond, VA 23218. All correspondence must refer to case number INS-2013-00238.

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**Case number INS-2013-00238 - SCC proceeding on revising long-term care insurance rules**

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October 21, 2014

**SCC'S BUREAU OF INSURANCE ENCOURAGES VIRGINIANS TO  
"KNOW THEIR STUFF" WHEN IT COMES TO HOMEOWNERS INSURANCE**

**RICHMOND** – Whether you are the victim of a break-in or a natural disaster, preparing a home inventory ahead of time can greatly facilitate the process if you need to file an insurance claim.

When it comes to homeowners insurance, consumers generally consider the value of their home, but many fail to consider all of their valuable possessions inside. Not only can it make the claims process easier, cataloging your household possessions also can help you choose insurance coverage that will fully protect and replace your valuables in the event that they are lost, stolen, or damaged.

The State Corporation Commission's Bureau of Insurance reminds Virginians that one of the best ways to ensure that your possessions are fully protected is to document them with a home inventory. Whether you are a homeowner or a renter, a home inventory enables you to determine exactly what you own and what it is worth before you need to make an insurance claim. An insurance company may request any information it feels is necessary to confirm ownership and value of the items claimed.

Creating a home inventory is easier than ever thanks to a free smartphone app from the National Association of Insurance Commissioners (NAIC). The app – *myHOME Scr.APP.book* – lets users photograph and capture images, descriptions, bar codes, and serial numbers, and then stores them electronically for safekeeping. The app organizes information room by room and creates a back-up file for e-mail sharing. Download the app from iTunes or Google Play. Additional information about preparing a home inventory and a simple checklist that can be printed and completed by hand are available on the Bureau of Insurance website at [www.scc.virginia.gov/boi](http://www.scc.virginia.gov/boi) or the NAIC website at [www.naic.org](http://www.naic.org). When preparing a home inventory, do not forget to include belongings in closets, attics, basements, porches, garages, and sheds.

“Plan ahead for the unthinkable. Protect yourself financially by preparing a complete inventory of your personal belongings *before* a loss occurs or a disaster strikes,” said SCC Insurance Commissioner Jacqueline K. Cunningham. “This can help determine the amount of insurance coverage you need and, done properly, will facilitate the claim settlement process in the event of a loss. Keep this inventory and your insurance policy in a safe place away from your home, such as in a safe deposit box or at work.”

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Keeping a home inventory also can help consumers stay on top of their changing insurance needs. Consumers are often surprised by what is not covered under standard homeowners insurance policies.

Settlements on many homeowners insurance policies are based on the actual cash value of the property. This means that you will receive replacement cost minus depreciation for age and condition. As a result, you may not be able to replace the property with your claim payment. However, consumers can purchase coverage that will provide replacement cost for their possessions and will provide a higher limit of coverage for such property.

When determining your coverage needs, the Bureau of Insurance encourages Virginians to consider all of the items in their home that warrant additional insurance protection. This may include luxury items such as jewelry, electronics, and art or items that support personal passions such as antiques or custom guitars. These items may have a significant impact on your insurance needs. You can list these items separately on your homeowners insurance policy and assign a value to them. This means that they are no longer included in the limit that applies to other personal property. This approach usually makes it easier to obtain a satisfactory claim settlement should loss or damage occur.

The Bureau of Insurance offers free consumer guides for homeowners, renters, and businesses. These guides are available on its website at [www.scc.virginia.gov/boi](http://www.scc.virginia.gov/boi). The Bureau also has specially trained staff who can assist consumers with their general questions or concerns about homeowners insurance. For more detailed information regarding your insurance needs, you should contact your agent or your insurance company.

For more information, contact the Bureau of Insurance Property and Casualty Division toll-free at 1-877-310-6560 or in Richmond at (804) 371-9185. Consumers who are hearing or speech impaired may call through the SCC's Telecommunications Device for the Deaf and hard of hearing (TDD) at (804) 371-9206.

The SCC is located in the Tyler Building at 1300 East Main Street in downtown Richmond. The Bureau's mailing address is P. O. Box 1157, Richmond, Virginia 23218.

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### SCC NEWS RELEASE

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November 7, 2014

#### SCC'S BUREAU OF INSURANCE CAUTIONS VIRGINIA MOTORISTS THAT VEHICLE-DEER COLLISIONS CAN IMPACT YOUR AUTO INSURANCE

**RICHMOND** – November is the peak month for collisions between vehicles and deer. With this in mind, the State Corporation Commission's (SCC) Bureau of Insurance reminds Virginia motorists to be careful, especially when driving at dawn or dusk and in areas where deer are prevalent.

"Deer are generally more active in November as a result of the mating season and other factors, and collisions are more likely," said Virginia Insurance Commissioner Jacqueline K. Cunningham. "I urge all Virginia drivers to watch out for wildlife on the highways and to contact your insurance agent or company to determine if your policy provides coverage for this type of loss."

Damages caused to your vehicle as a result of a collision with a deer or other animal typically are covered under the "other-than-collision" (also known as comprehensive) portion of your automobile policy. This covers such things as wind, hail and flood, as well as fire, vandalism, and theft. Keep in mind that if you have a liability-only policy, your policy does not cover your vehicle for any damages it receives in an accident with a deer or other object.

One-half or more of all vehicle-deer collisions occur during the months of October, November, and December, according to the Virginia Department of Game and Inland Fisheries. Increased development of traditionally rural and wooded areas, the transition from daylight saving time to standard time and reduced daylight hours, and increased deer activity during their October through December breeding season are among the factors that contribute to the increase in vehicle-deer collisions during the fall.

According to the National Highway Traffic Safety Administration, there are more than one million car accidents with deer each year that kill as many as 200 Americans, cause more than 10,000 personal injuries, and result in more than \$1 billion in vehicle damage.

To reduce your chances of hitting a deer, slow down and use caution when you see one. If it is too late to avoid a collision with a deer, stay in your lane and slow down as much as possible to minimize damage. Should you collide with a deer, notify law enforcement and your insurance company as soon as possible. Once it is safe to do so, take pictures of the accident scene and vehicle damage in the event you file an insurance claim.

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The Bureau of Insurance stands ready to assist Virginians with their questions regarding auto and many other types of insurance. For more information, call the Bureau toll-free at 1-877-310-6560 or in Richmond at (804) 371-9741 or visit its website at [www.scc.virginia.gov/boi](http://www.scc.virginia.gov/boi). Consumers who are hearing or speech impaired may call the SCC's Telecommunications Device for the Deaf and Hard of Hearing (TDD) at (804) 371-9206.

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Commonwealth of Virginia

# State Corporation Commission

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14-22

## SCC NEWS RELEASE

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November 7, 2014

### SCC WARNS INVESTORS AGAINST EBOLA-RELATED SCHEMES

**RICHMOND** – Following the outbreak of Ebola in western Africa and its appearance in North America, the State Corporation Commission (SCC) cautions investors to beware of investment schemes related to the disease.

“Experience has shown that fraudsters often follow the headlines in an attempt to capitalize on fear and uncertainty and reap financial gain,” said Ron Thomas, director of the SCC’s Division of Securities and Retail Franchising. “We urge Virginians to be wary of any unsolicited Ebola-related investment opportunities, especially those received through the Internet. Err on the side of caution and investigate before you invest,” he said.

An analysis of Internet domain names by state and Canadian securities regulators found nearly 1,200 domains with “Ebola” in their name have been registered with top-level domains, such as .com, .net, and .org since April 2014. About 1,000 of those registrations have occurred since July, as awareness of the crisis spread. Of these sites, 184 were identified by the North American Securities Administrators Association’s (NASAA) Internet Fraud Investigations project group as suspicious. NASAA, of which the SCC’s Securities Division is a member, is an international organization devoted to investor protection.

Whether an investment is pitched via email, social media, crowdfunding websites, or telemarketers, Thomas reminds investors to use common sense. “Pie in the sky promises of quick wealth with little or no risk generally are red flags signaling potential fraud,” he said.

The SCC’s Securities Division urges Virginia investors to do the following:

- Beware of cold callers, high-pressure sales tactics, and unrealistic claims. If an investment opportunity sounds too good to be true, it probably is.
- Contact the SCC’s Securities Division to make sure that both the seller and the investment are properly licensed and registered in Virginia. If they are not, don’t invest.
- Request written information about any investment and carefully review it or ask your financial adviser to evaluate it.

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To find out whether an individual and his or her company are licensed to sell securities in Virginia and whether they have a history of disciplinary action, contact the SCC's Division of Securities and Retail Franchising toll-free in Virginia at 1-800-552-7945 or in Richmond at (804) 371-9051 or e-mail the division at [SRF\\_Registration@scc.virginia.gov](mailto:SRF_Registration@scc.virginia.gov). For more information, visit the Securities Division's website at [www.scc.virginia.gov/srf/](http://www.scc.virginia.gov/srf/) or the NASAA website at [www.nasaa.org](http://www.nasaa.org).

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## SCC NEWS RELEASE

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November 25, 2014

### SCC WARNS VIRGINIANS ABOUT TOP INVESTOR THREATS

**RICHMOND** – The advent of new products and technologies can sometimes spell risk for investors, the State Corporation Commission (SCC) warned. Among the emerging threats facing investors in 2015 are schemes involving digital currency, binary options, and stream-of-income investments.

“Many of the top threats facing investors involve new products in classic schemes, often fueled by the Internet,” said Ron Thomas, director of the SCC’s Division of Securities and Retail Franchising. “The biggest threat is unlicensed agents selling unregistered products to unsuspecting investors.”

The following list of top threats facing unwary investors throughout North America was compiled by the Enforcement Section of the North American Securities Administrators Association (NASAA), of which the SCC is a member.

Emerging threats include the following:

- **Digital Currency & Cybersecurity Risks** – Digital currencies are emerging as trendy way to pay for goods and services. Last year’s rapid increase in the price of Bitcoin – a popular digital currency – sparked considerable public interest and media attention, creating a fresh market for securities offerings tied to digital currencies. However, unscrupulous promoters may try to capitalize on this popularity by illegally offering securities tied to digital currencies. Even legitimate securities offerings tied to digital currencies may present considerable risks to the investing public, including risks associated with volatility and demand for the units, the anonymity associated with the use of certain digital currencies, and the threats posed by hackers using malicious software to compromise network security systems.
- **Binary Options** – These are securities in the form of options contracts that have a payout that depends on whether the underlying asset – for example, a company’s stock or a stock index – increases or decreases in value. Investors betting on a stock price increase either receive a pre-determined amount of money if the value of the asset increased over the fixed period, or no money at all if it decreased. With this all-or-nothing payout structure, investors can easily lose their entire investment.
- **Stream-of-Income Investments** – Investors looking for monthly returns are being enticed to invest by companies that introduce investors to individuals selling a stream of income, such as

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pension payments or government disability payments. These investments can carry significant risks as laws may prohibit the assignment of the stream of income/benefits, the seller typically maintains the legal right to redirect the payment, and if the seller does redirect the payment, the investor may be left with an unenforceable contract right. In addition, the benefits are contingent on the life of the seller. Veterans and disabled persons often are preyed upon to assign their benefits when they experience financially stressful times, selling much-needed future benefit payments at a significant reduction.

The SCC also warns investors regarding the following persistent threats: pyramid and other Ponzi schemes, Internet fraud (including social media and crowdfunding), real estate schemes, Reg D/Rule 506 private offerings, oil and gas investments, and affinity fraud.

Unregistered individuals continue to be the most common subject of enforcement actions by state securities regulators. "It pays to investigate before you invest," Thomas said. "Independently verify any investment opportunity and the background of the person and company offering it. Make sure that the seller and the investment are properly licensed and registered in Virginia," he said.

The Securities Division can provide detailed background information about those who are registered to sell securities or provide investment advice in Virginia, and about the products being offered. Contact the SCC's Division of Securities and Retail Franchising toll-free in Virginia at 1-800-552-7945 or in Richmond at (804) 371-9051 or email the division at [SRF\\_Registration@scc.virginia.gov](mailto:SRF_Registration@scc.virginia.gov). For additional information, visit the Securities Division's website at [www.scc.virginia.gov/srf](http://www.scc.virginia.gov/srf) or the NASAA website at [www.nasaa.org](http://www.nasaa.org).

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14-24

### SCC NEWS RELEASE

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November 26, 2014

#### **SCC COMPLETES FINANCIAL REVIEW OF APPALACHIAN POWER COMPANY; DIRECTS REFUND TO CUSTOMERS OF \$5.8 MILLION**

**RICHMOND** - The State Corporation Commission (SCC) has completed a financial review of Appalachian Power Company that will result in a refund to customers of Virginia's second largest provider of electric service. The SCC also rejected various proposals by the company that had the potential to raise rates for certain customers.

The SCC directives come after a review of the rates charged by the state's second largest electric utility, as required by Virginia law, for calendar years 2012 and 2013. The utility's actual performance during the two-year period is analyzed to determine where the company's earnings fell relative to the range resulting from a prior Commission approval.

Following that analysis, the Commission concluded that approximately \$5.825 million be returned to customers as a credit over six months. For the average residential customer, that means a total refund of approximately \$6.85, or about \$1.14 per monthly bill for six months. The credit will begin to appear on future bills within the next 60 days.

As a whole, the Commission made findings which "we conclude are reasonable and supported by evidence in the record." Among the significant decisions within the SCC order:

- A determination that Appalachian Power earned, on average, a return on equity of approximately 11.86 percent on its generation and distribution services. The company was authorized a return of up to 11.4 percent, based on the range resulting from a prior Commission approval. As a result, by law, 60 percent of the over-earnings must be returned to customers in the form of a credit on future bills.
- A determination that the new return on equity (ROE) for Appalachian Power is 9.7 percent. The Commission considers that return "fair and reasonable to the company, permits the attraction of capital on reasonable terms, fairly compensates investors for the risks assumed, enables the company to maintain its financial integrity," and is in line with other peer group investor-owned electric utilities. The 9.7 percent ROE serves as the baseline for the next financial review of earnings for 2014 and 2015.

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- A determination that the company did not establish that it is reasonable to increase certain charges for many customers at this time. For example, the company proposed to increase the residential basic monthly charge from \$8.35 to \$16, a line item charge a customer pays regardless of the amount of electricity consumed. The Commission denied the proposal.
- Approval of two new residential demand-side management programs and approval of a standby charge for certain residential customers that both receive electricity from Appalachian Power and generate electricity using facilities with capacity exceeding 10 kilowatts.

The company has been directed to file revised tariffs to comply with the directives set forth in the Commission order.

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**Case Number PUE-2014-00026**

## SCC NEWS RELEASE

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December 3, 2014

### SCC CAUTIONS VIRGINIANS ABOUT POTENTIAL DANGERS OF HIGH-YIELD INVESTMENT PROGRAMS

**RICHMOND** – The State Corporation Commission encourages Virginians to be wary of investment opportunities promising pie-in-the-sky returns with little or no risk. An example is high-yield investment programs (HYIPs), which are unregistered investments typically run by unregistered individuals. These opportunities, typically promoted on websites and through social media, are often nothing more than Ponzi schemes.

HYIPs promise very high returns to the investor with little or no risk. They generally offer little information about the HYIP operator and their trading strategy is vague or unclear. Many offer referral bonuses to current investors for bringing in new investors.

“High yield investment programs may be hazardous to your financial health,” said Ron Thomas, director of the SCC’s Division of Securities and Retail Franchising. “In the past, con artists relied on word of mouth to lure investors into these investments. Now they create buzz on the Internet and social media, quickly popularizing their schemes before the fraud is discovered,” he said.

“HYIPs combine elements of both Ponzi and traditional pyramid schemes into one ruse that can spread faster than ever before,” Thomas said. For example, in one recent HYIP, a company offered memberships that purported to provide investors with up to a 60 percent profit in 100 days. In less than a year, the company took in more than \$10 million from investors. All investors’ funds were lost.

The SCC offers the following tips to help investors protect themselves from these scams:

- Be wary of unsolicited investment opportunities offering unrealistic returns with little or no risk.
- Contact the SCC’s Securities Division to make sure that both the seller and the investment are properly licensed and registered in Virginia.
- Don’t believe the hype. Ignore high-pressure sales tactics, testimonials, and rankings regarding an HYIP.

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- Request written information about any investment and carefully review it or ask your financial adviser to evaluate it.
- Quickly report any suspicion of investment fraud to your state securities regulator.

Investors with questions about high-yield investment programs should contact the SCC's Division of Securities and Retail Franchising toll-free in Virginia at 1-800-552-7945 or in Richmond at (804) 371-9051 or e-mail the division at [SRF\\_Registration@scc.virginia.gov](mailto:SRF_Registration@scc.virginia.gov). For additional information, visit the Securities Division's website at [www.scc.virginia.gov/srf](http://www.scc.virginia.gov/srf) or the North American Securities Administrators Association website at [www.nasaa.org](http://www.nasaa.org).

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## SCC NEWS RELEASE

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December 12, 2014

### VIRGINIANS ARE ENCOURAGED TO REVIEW THEIR INSURANCE COVERAGE IN PREPARATION FOR THE HOLIDAY SEASON

**RICHMOND** – When planning for the holiday season, the State Corporation Commission’s (SCC) Bureau of Insurance reminds Virginians to check with their insurance agent or company to make sure they have the insurance coverage they need in the event of an illness or mishap.

With all of its shopping, traveling, cooking, decorating, and entertaining, the holiday season carries a variety of risks that can impact your insurance coverage. “Don’t let a lack of insurance coverage spoil your holidays. Review your insurance coverage *before* the unexpected happens,” said Virginia Insurance Commissioner Jacqueline K. Cunningham.

If you are planning a holiday trip, find out what your health insurance will cover if you get sick and end up in an urgent care facility or hospital while you are out of state. Remember to take with you on your trip health insurance information for all family members, including identification cards and contact details.

During the holidays, use extra caution to keep your home, vehicle, and personal information safe. Know how much your auto and homeowners insurance will cover if someone steals gifts, decorations, or other items from your vehicle, home, or yard. Make sure you understand any deductibles or coverage limits that may apply.

As the New Year approaches, the holidays are a good time to update your home inventory. This will help you ensure your homeowners or renter’s policy provides enough coverage for your belongings. Separate coverage may be needed for high-cost items such as jewelry, art, or electronics. The National Association of Insurance Commissioners’ free smartphone app – myHome Scr.APP.book – makes creating a home inventory quick and easy. This app is available through iTunes and Google Play.

Distracted drivers and severe winter weather can make holiday driving a challenge. Before you go dashing through the snow, make sure your auto insurance policy meets your specific needs. Check your liability limits to ensure you have adequate protection against injury or damage if you are involved in an accident during the hectic holiday rush. Know what to do if an accident occurs. Keep your insurance company’s contact information and a copy of your insurance card with you when you drive.

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Check with your insurance company or agent to make sure you are adequately covered if you plan to ski, snowboard, use a snowmobile, or plow snow during the winter season.

Understand your rights and responsibilities if someone steals your credit card information or other personal information while shopping for holiday gifts online or in stores.

For information about a variety of insurance-related topics, contact the Virginia Bureau of Insurance in Richmond at (804) 371-9741 or toll-free at 1-877-310-6560 or visit its website at [www.scc.virginia.gov/boi](http://www.scc.virginia.gov/boi). Additional information also may be found on the InsureU portion of the National Association of Insurance Commissioners website at [www.insureuonline.org](http://www.insureuonline.org).

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**SCC NEWS RELEASE**

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December 12, 2014

**SCC SETS WORKERS' COMPENSATION PREMIUM LEVEL ADJUSTMENTS**

**RICHMOND** – The State Corporation Commission (SCC) has approved revisions to the premium levels charged for workers' compensation insurance in Virginia.

Workers' compensation insurance provides medical care and wage replacement benefits to injured workers. Almost all Virginia employers are required to provide the coverage to their employees.

The National Council on Compensation Insurance (NCCI) sought the revisions. The changes approved by the SCC will increase the overall premium level for the surface and underground coal mine classifications in the voluntary market and the assigned risk plan and the industrial classification in the voluntary market. They will decrease the overall premium level for the federal classification in the voluntary market and assigned risk plan and the industrial classification in the assigned risk plan.

The changes will become effective April 1, 2015, for new and renewal workers' compensation policies, as follows:

<u>Class</u>	<u>Voluntary Market Loss Costs</u>	<u>Assigned Risk Rates</u>
Industrial	+0.9%	-2.9%
"F" (Federal)	-9.3%	-14.7%
Coal Mines (Surface)	+15.0%	+6.4%
Coal Mines (Underground)	+10.1%	+1.0%

NCCI, a Florida-based rate service organization, represents insurance companies licensed to write workers' compensation insurance in Virginia.

Virginia's workers' compensation rates remain among the lowest in the country.

**Case number INS-2014-00172**

Commonwealth of Virginia

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14-28

## SCC NEWS RELEASE

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December 15, 2014

### SCC ANNOUNCES LAUNCH OF STREAMLINED ELECTRONIC FILING DEPOSITORY FOR CERTAIN SECURITIES OFFERINGS

**RICHMOND** – The State Corporation Commission (SCC) today announced the launch of the online Electronic Filing Depository (EFD) that will enhance the efficiency of the regulatory filing process for certain exempt securities offerings.

Developed by the North American Securities Administrators Association (NASAA), of which the SCC's Division of Securities and Retail Franchising is a member, EFD is an online, web-based system that allows a securities issuer to submit a Form D for a Regulation D, Rule 506 offering to state securities regulators and to pay the related fees electronically. The EFD website also enables the public to search and view, free of charge, Form D filings made with state securities regulators through this new electronic filing feature. Virginia is among 38 states that have signed up to participate in EFD, which is available at: <https://www.efdnasaa.org>.

“We are pleased to participate in the EFD system, which improves transparency for investors and creates an efficient, uniform, and streamlined system for state Form D filing and payment requirements,” said Ron Thomas, director of the SCC's Securities Division.

Rule 506 of Regulation D of the Securities Act of 1933 allows exemptions for certain private offerings and for public offerings to verified accredited investors. While issuers relying on the Rule 506 exemption do not have to register their offerings of securities with the Securities and Exchange Commission (SEC) or state securities regulators, they must file what is known as a “Form D” with the SEC and, in Virginia, the SCC's Division of Securities and Retail Franchising. Form D contains limited information about the securities being offered and the issuer offering those securities.

The EFD system initially will be limited to Form D filings for Regulation D, Rule 506 offerings, but NASAA plans to expand the system to include additional state securities registration and notice filing materials, Thomas said. “States are embracing technology to provide innovative capital formation solutions that benefit issuers and investors alike,” he added.

The EFD system will be available 24 hours a day, seven days a week, unless the website is undergoing maintenance. Use of the EFD system by issuers is voluntary. Issuers who choose not to file through EFD may continue to make separate Form D filings with the SEC and the state(s) requiring it.

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The EFD website offers a suite of tools to filers and regulators. In addition to the filing fees required by the states, there is a one-time \$150 system use fee for each offering whose filings are made through EFD. This one-time system fee covers initial, amendment, and renewal filings made through EFD.

Thomas cautions Virginia investors that the filing of a Form D with the SEC and with the SCC's Securities Division does not mean that the SEC or any state securities regulator has approved the securities or passed any judgment on the soundness of the securities as an investment. He encourages investors or issuers with questions about EFD or a particular offering to contact the SCC's Division of Securities and Retail Franchising toll-free in Virginia at 1-800-552-7945 or in Richmond at (804) 371-9051 or e-mail the division at [SRF\\_Registration@scc.virginia.gov](mailto:SRF_Registration@scc.virginia.gov). For additional information, visit the Securities Division's website at [www.scc.virginia.gov/srf](http://www.scc.virginia.gov/srf) or the NASAA website at [www.nasaa.org](http://www.nasaa.org)<sup>18</sup>.

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