

STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 7, 2007

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2007-00160

GROUP HOSPITALIZATION AND MEDICAL
SERVICES, INC.,

Defendant

SETTLEMENT ORDER

Based on a target market conduct examination performed by the Bureau of Insurance, it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances, has violated subsection 1 of § 38.2-502 and §§ 38.2-316 C 1, 38.2-503, 38.2-510 A 5, 38.2-511, 38.2-610 A, 38.2-1318 C, 38.2-3407.1 B, 38.2-5804 A, and 38.2-5804 A 2 of the Code of Virginia, as well as 14 VAC 5-90-160 and 14 VAC 5-90-170 A.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or revoke the Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations.

The Defendant has been advised of its right to a hearing in this matter, whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to the Commonwealth of Virginia the sum of fifteen thousand dollars (\$15,000) and waived its right to a hearing.

The Bureau of Insurance has recommended that the Commission accept the offer of settlement of the Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of the Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to Jimmy Riggs, Internal Audit Department, Group Hospitalization and Medical Services, Inc., 10455 Mill Run Circle, Owings Mills, Maryland 21117-4208; and the Bureau of Insurance in care of Deputy Commissioner Jacqueline K. Cunningham.