

STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 7, 2007

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2007-00161

UNITED SERVICES AUTOMOBILE
ASSOCIATION,
USAA GENERAL INDEMNITY COMPANY,
and
USAA CASUALTY INSURANCE COMPANY,

Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance, it is alleged that the Defendants, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-2212 E 4, 38.2-2212 E 5, 38.2-2114 C 3, and 38.2-2114 C 4 of the Code of Virginia by failing to inform an insured of his right to request that the Commissioner of Insurance review the action of the insurer when terminating automobile policies for nonpayment of premium, by failing to inform an insured of the possible availability of other insurance through his agent, another insurer, or the Virginia Automobile Insurance Plan when terminating automobile policies for nonpayment of premium, by failing to inform an insured of his right to request that the Commissioner of Insurance review the action of the insurer when terminating homeowner policies for nonpayment of premium, and by failing to inform an insured of his possible eligibility for fire insurance coverage through the Virginia Property Insurance Association when terminating homeowner policies for nonpayment of premium.

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 Defendants' licenses upon a finding by the Commission, after notice and opportunity to be heard, that the Defendants have committed the aforesaid alleged violations.

The Defendants have been advised of their right to a hearing in this matter, whereupon the Defendants, without admitting any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have tendered to the Commonwealth of Virginia the sum of two thousand dollars (\$2,000) per company for an amount totaling six thousand dollars (\$6,000) and waived their right to a hearing.

The Bureau of Insurance has recommended that the Commission accept the offer of settlement of the Defendants 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 Defendants, and the recommendation of the Bureau of Insurance, is of the opinion that the Defendants' offer should be accepted.

IT IS THEREFORE ORDERED THAT:

- (1) The offer of the Defendants 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 Michael J. Broll, Assistant Vice President and Assistant Secretary, Property & Casualty Insurance Counsel, United Services Automobile Association, 9800 Fredericksburg Road, San Antonio, Texas 78288; and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister.