

STATE CORPORATION COMMISSION

AT RICHMOND, JULY 31, 2006

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2006-00187

STANDARD GUARANTY INSURANCE  
COMPANY,

Defendant

SETTLEMENT ORDER

Based on a 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, violated §§ 38.2-1812, 38.2-1822, and 38.2-2014 of the Code of Virginia by paying a commission for services as an agent to a person who was not properly licensed and appointed, by knowingly permitting a person to act as an agent without first obtaining a license in the manner and form prescribed by the Commission, and by failing to use rate filings in effect for the Defendant.

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 forty-five thousand dollars (\$45,000), waived its right to a hearing, and agreed to comply with the Corrective Action Plan set forth in its e-mails to the Bureau of Insurance dated March 17,

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2006, and March 21, 2006, which included refunds to all insureds adversely affected by the Defendant's failure to comply with the above-mentioned laws.

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 Russell G. Kirsch, Senior Vice President, Regulatory Administration, Assurant Solutions, 11222 Quail Roost Drive, Miami, Florida 33157-6596; and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister.