

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, JANUARY 22, 2007

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2006-00344

LIBERTY INSURANCE CORPORATION,  
LIBERTY MUTUAL FIRE INSURANCE  
COMPANY,  
and  
THE FIRST LIBERTY INSURANCE  
CORPORATION,

Defendants

2007 JAN 22 P 3:45

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 § 38.2-2220 of the Code of Virginia by using forms which did not contain the precise language of the standard forms filed and adopted by the Commission.

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 five thousand dollars (\$5,000) per company for an amount totaling fifteen

thousand dollars (\$15,000), waived their right to a hearing, and agreed to comply with the Corrective Action Plan set forth in their letter to the Bureau dated September 15, 2006.

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 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 John D. Donnelly, CPCU, Liberty Mutual Group, 175 Berkeley Street, Mail Drop S 3-A, Boston, Massachusetts 02117; and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister.