

STATE CORPORATION COMMISSION

STATE CONTROL

AT RICHMOND, JANUARY 17, 2008

COMMONWEALTH OF VIRGINIA

2008 JAN 17 P 3: 56

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2007-00378

GOVERNMENT EMPLOYEES INSURANCE  
COMPANY,  
GEICO CASUALTY COMPANY,  
GEICO GENERAL INSURANCE COMPANY,  
and  
GEICO INDEMNITY COMPANY,

Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), 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 §§ 38.2-604, 38.2-1906 D, 38.2-2212, 38.2-2220, 38.2-2223, and 38.2-2234 of the Code of Virginia, as well as 14 VAC 5-400-70 D and 14 VAC 5-400-80 D.

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 thirty-one thousand two hundred dollars (\$31,200), waived their right to a

hearing, agreed to comply with the Corrective Action Plan set forth in their letter to the Bureau dated October 3, 2007, and agreed to the entry by the Commission of a cease and desist order.

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;

(2) The Defendants cease and desist from any conduct which constitutes a violation of §§ 38.2-604, 38.2-1906 D, 38.2-2212, 38.2-2220, 38.2-2223 or 38.2-2234 of the Code of Virginia, or 14 VAC 5-400-70 D or 14 VAC 5-400-80 D; and

(3) 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 A. Taylor, Counsel, The GEICO Companies, One GEICO Plaza, Suite 5T, Washington, DC 20076; and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister.