

STATE CORPORATION COMMISSION

AT RICHMOND, DECEMBER 17, 2007

COMMONWEALTH OF VIRGINIA

2007 DEC 17 A 9:30

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2007-00326

AMERICAN HOME ASSURANCE COMPANY,
NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA,
THE INSURANCE COMPANY OF THE STATE
OF PENNSYLVANIA,
AMERICAN INTERNATIONAL SOUTH
INSURANCE COMPANY,
and
AIG PREMIER 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 § 38.2-2206 A of the Code of Virginia by issuing motor vehicle policies with uninsured motorist limits less than the liability insurance provided by the policy, without first obtaining a written rejection of the higher limits by the named insured.

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 one thousand dollars (\$1,000) per company for an amount totaling five thousand dollars (\$5,000) 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 John G. Colona, Vice President, American International Companies, 3 Beaver Valley Road, One AIG Center, Wilmington, Delaware 19803; Maura C. Popp, Associate General Counsel, American International Companies, 3 Beaver Valley Road, One AIG Center, Wilmington, Delaware 19803; and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister.