

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, FEBRUARY 7, 2008

CONTROL

COMMONWEALTH OF VIRGINIA

2008 FEB -7 P 3:47

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2007-00369

AIU INSURANCE COMPANY,
AMERICAN HOME ASSURANCE COMPANY,
AMERICAN INTERNATIONAL SOUTH
INSURANCE COMPANY,
AIG CASUALTY COMPANY,
COMMERCE AND INDUSTRY INSURANCE
COMPANY,
GRANITE STATE INSURANCE COMPANY,
THE INSURANCE COMPANY OF THE
STATE OF PENNSYLVANIA,
NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA,
and
NEW HAMPSHIRE 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 § 38.2-1919 of the Code of Virginia by failing to adhere to the uniform plans, systems, and rules of its designated rate service organization in the recording of its experience and the reporting of such information to the rate service organization.

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 hundred thousand dollars (\$100,000), waived their right to a hearing, and agreed to comply with the Corrective Action Plan set forth in their letter to the Bureau dated January 31, 2008.

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 James Kinion, 14460 New Falls of the Neuse Road, Suite 14-299, Raleigh, North Carolina 27614; and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister.