

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, SEPTEMBER 12, 2008

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COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2008-00188

STATE FARM FIRE AND CASUALTY
INSURANCE COMPANY
and
STATE FARM MUTUAL AUTOMOBILE
INSURANCE COMPANY,

Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed 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 §§ 38.2-305, 38.2-502, 38.2-604, 38.2-610, 38.2-2202, 38.2-2210, 38.2-2214, 38.2-2220, 38.2-2230, and 38.2-2234 of the Code of Virginia, as well as 14 VAC 5-400-40, 14 VAC 5-400-50 C, 14 VAC 5-400-70 A and 14 VAC 5-400-70 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-five thousand dollars (\$35,000), waived their right to a hearing, and

agreed to comply with the Corrective Action Plan set forth in their letter to the Bureau of Insurance dated December 14, 2007.

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:
Gaye Keller, MP&I Assistant Manager, State Farm Insurance Companies, 1500 Farm Boulevard,
Charlottesville, Virginia 22909-0001; and the Bureau of Insurance in care of Deputy
Commissioner Mary M. Bannister.