

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 22, 2009

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COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

DOCUMENT CONTROL

v.

CASE NO. INS-2009-00081

ESURANCE INSURANCE COMPANY,

Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that the Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, violated §§ 38.2-305 A, 38.2-502, 38.2-1906 A, 38.2-1906 D, 38.2-2206 and 38.2-2234 B of the Code of Virginia ("Code") by failing to use rates or rules filed with the Bureau and failing to properly underwrite policies; violated § 38.2-2212 by failing to properly terminate policies of insurance; violated § 38.2-510 A 3 of the Code, as well as 14 VAC 5-400-40 A, 14 VAC 5-400-50 C, 14 VAC 5-400-70 A, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D, by failing to properly handle claims; violated § 38.2-323 of the Code by invalidating coverage due to the absence of a signature or countersignature of an agent or company representative; and violated §§ 38.2-610 A, 38.2-2202 B, 38.2-2214, and 38.2-2230 of the Code by failing to provide proper notices to insureds.

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 Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that the Defendant has committed the aforesaid alleged violations.

The Defendant has been advised of its right to a hearing in this matter, whereupon the Defendant, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has tendered to the Commonwealth of Virginia the sum of Twenty Thousand Dollars (\$20,000), waived its right to a hearing, confirmed that restitution was made to 41 consumers in the amount of Four Thousand Fifty-one Dollars and Forty-seven Cents (\$4,051.47), and agreed to comply with the Corrective Action Plan set forth in its letters to the Bureau dated November 21, 2008, and February 27, 2009.

The Bureau 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.

NOW THE COMMISSION, having considered the record herein, the offer of settlement of the Defendant, and the recommendation of the Bureau, is of the opinion that the Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

- (1) The offer of the Defendant 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 Benson Jeffress, Director of Regulatory Compliance, Esurance Insurance Company, 3785 Placer Corporate Drive, Suite 550, Rocklin, California 95765; and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister.