

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 24, 2009

CLERK'S OFFICE

COMMONWEALTH OF VIRGINIA

2009 AUG 24 P 4:00

At the relation of the

DOCUMENT CONTROL

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2009-00173

GOVERNMENT EMPLOYEES INSURANCE COMPANY,
GEICO GENERAL INSURANCE COMPANY,
and
GEICO INDEMNITY 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 § 38.2-512 A of the Code of Virginia by representing to insureds that coverage for certain customized equipment was excluded under the personal automobile policy.

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 Five Thousand Dollars (\$5,000) per company for an amount totaling Fifteen Thousand Dollars (\$15,000) 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.

NOW 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.

Accordingly, IT IS 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:

Olza M. Nicely, President and CEO, and Hank Nayden, Vice President, GEICO Companies, 5260 Western Avenue, Chevy Chase, Maryland 20815-3799; John A. Taylor, Esquire, GEICO Companies, Office of Legislative Counsel, One GEICO Plaza, 5-T, Washington, D.C. 20076; and a copy shall be delivered to the Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy Commissioner Brian P. Gaudiose.