

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 4, 2010

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2010-00074

HOMESITE INSURANCE COMPANY,

Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance, 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 § 38.2-317 A of the Code of Virginia by failing to use standard forms in the precise language filed and approved by the Commission; violated § 38.2-610 A by failing to give to applicants for insurance written notice of an adverse underwriting decision in the form approved by the Commission; violated § 38.2-1906 D by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendant; violated § 38.2-2126 A by failing to provide credit adverse action notices; violated §§ 38.2-2113 C, 38.2-2114 A, 38.2-2114 C, and 38.2-2114 E by failing to properly terminate policies of insurance; violated §§ 38.2-510 A 1, 38.2-510 A 3, 38.2-510 A 6, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 C, 14 VAC 5-400-60 B, 14 VAC 5-400-70 A, 14 VAC 5-400-70 B, and 14 VAC 5-400-70 D, by failing to properly handle claims; violated §§ 38.2-305 A, 38.2-502, 38.2-2120, and 38.2-2124 by failing to include accurate information in

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policies; and violated §§ 38.2-305 B, 38.2-604.1, and 38.2-2118 by failing to include accurate information in its notices.

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-seven Thousand Dollars (\$27,000), waived its right to a hearing, confirmed that restitution was made to five hundred eighty-three (583) consumers in the amount of Ninety-nine Thousand Two Hundred Fifty-two Dollars and Eight Cents (\$99,252.08), and agreed to comply with the Corrective Action Plan set forth in its letter to the Bureau of Insurance dated January 7, 2010.

The Bureau of Insurance 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 of Insurance, is of the opinion that the Defendant's offer should be accepted.

Accordingly, IT IS 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:

Maureen Fidler, Corporate Responsibility, Homesite Insurance Company, 99 Bedford Street, Boston, Massachusetts 02111; and a copy shall be delivered to the Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy Commissioner Mary M. Bannister.