

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, DECEMBER 20, 2011

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COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2011-00236

AMERICAN ECONOMY INSURANCE COMPANY,
AMERICAN STATES INSURANCE COMPANY,
GENERAL INSURANCE COMPANY OF AMERICA,
FIRST NATIONAL INSURANCE COMPANY OF AMERICA,
SAFECO INSURANCE COMPANY OF AMERICA,
MONTGOMERY MUTUAL INSURANCE COMPANY,
PEERLESS INSURANCE COMPANY,
PEERLESS INDEMNITY INSURANCE COMPANY,
THE NETHERLANDS INSURANCE COMPANY,
THE OHIO CASUALTY INSURANCE COMPANY,
WEST AMERICAN INSURANCE COMPANY,
and
AMERICAN FIRE AND CASUALTY 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 § 38.2-1906 D of the Code of Virginia by making or issuing insurance contracts or policies not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

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 Thousand Dollars (\$1,000) per company for an amount totaling Twelve Thousand Dollars (\$12,000), 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 September 1, 2011.

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: Nancy Wing, Manager, RCG State Filings, Liberty Mutual Agency Corporation, Safeco Plaza, Seattle, Washington 98185; 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.