

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, SEPTEMBER 18, 2012

REG-CLERK'S OFFICE
EVENT CONTROL CENTER

2012 SEP 18 P 2: 32

120920130

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2012-00199

ELEPHANT INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that Elephant Insurance Company ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Commonwealth"), violated § 38.2-305 A of the Code of Virginia ("Code") by failing to provide required information in the insurance policy; violated § 38.2-502 of the Code by misrepresenting the benefits, advantages, conditions or terms of an insurance policy; violated §§ 38.2-604 A, 38.2-604 B, 38.2-604 C, 38.2-604.1, 38.2-610 A, and 38.2-1905 A of the Code by failing to accurately provide the required notices to insureds; violated §§ 38.2-1906 A and 38.2-1906 D of the Code 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 §§ 38.2-2208 A, 38.2-2208 B, 38.2-2212 D, and 38.2-2212 E of the Code by failing to properly terminate insurance policies; violated § 38.2-511 of the Code by failing to maintain a complete complaint register; violated § 38.2-2220 of the Code by using automobile forms that did not contain the precise language of the standard form filed and adopted by the Commission; and violated § 38.2-510 A 6 of the Code, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-50 C, 14 VAC 5-400-70 D, and 14 VAC 5-400-80 D of the Commission's Rules

Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq.*, by failing to properly handle claims with such frequency as to indicate a general business practice.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code 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 the sum of Twenty-four Thousand One Hundred Dollars (\$24,100), waived its right to a hearing, agreed to comply with the Corrective Action Plan set forth in its letter to the Bureau dated May 31, 2012, and confirmed that restitution was made to 23 consumers in the amount of Five Thousand Six Hundred Nine Dollars and Six Cents (\$5,609.06).

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.

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.

Accordingly, IT IS ORDERED THAT:

(1) The offer of Elephant Insurance Company in settlement of the matter set forth herein be, and it is hereby, accepted.

(2) This case is dismissed, and the papers herein shall be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
Timothy MacAleese, Secretary and Treasurer, Elephant Insurance Company, 140 East Shore
Drive, Unit 300, Glen Allen, Virginia 23059; 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.