

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, DECEMBER 21, 2012

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2012-00283

AMERICAN HOME ASSURANCE COMPANY,
NATIONAL UNION FIRE INSURANCE COMPANY
OF PITTSBURGH, PA.,
NEW HAMPSHIRE INSURANCE COMPANY,
GRANITE STATE INSURANCE COMPANY,
COMMERCE AND INDUSTRY INSURANCE
COMPANY,
AMERICAN INTERNATIONAL SOUTH INSURANCE
COMPANY,
AIG CASUALTY COMPANY,
and
THE INSURANCE COMPANY OF THE STATE
OF PENNSYLVANIA,

Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that American Home Assurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., New Hampshire Insurance Company, Granite State Insurance Company, Commerce and Industry Insurance Company, American International South Insurance Company, AIG Casualty Company, and The Insurance Company of the State of Pennsylvania ("Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Commonwealth"), violated §§ 38.2-317 and 38.2-1903.1 of the Code of Virginia ("Code") by delivering or issuing for delivery insurance policies or endorsements without having filed such policy forms or endorsements with the Commission at least thirty (30) days prior to their effective date, and by

issuing policies under the exemption set forth in the statute without having obtained the required annual certification.

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 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 the sum of Fifteen Thousand Dollars (\$15,000), waived their right to a hearing, and agreed to comply with the corrective action plan set forth in their letters to the Bureau dated September 21, 2012, and October 5, 2012.

The Bureau 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.

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

Accordingly, IT IS ORDERED THAT:

(1) The offer of American Home Assurance Company, National Union Fire Insurance Company of Pittsburgh, Pa., New Hampshire Insurance Company, Granite State Insurance Company, Commerce and Industry Insurance Company, American International South Insurance Company, AIG Casualty Company, and The Insurance Company of the State of Pennsylvania in settlement of the matter set forth herein 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:
Jennifer R. Stonitsch, Associate Regulatory Counsel, Law Department, Chartis U.S.,
12 Metrotech Center, 27th Floor, Brooklyn, New York 11201; 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.