

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JUNE 22, 2015, SCC-CLERK'S OFFICE
DOCUMENT CONTROL CENTER

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2015-00035

ESURANCE INSURANCE COMPANY
and
ESURANCE PROPERTY AND CASUALTY
INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on an investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that Esurance Insurance Company and Esurance Property and Casualty Insurance Company (collectively, "Defendants"), 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 the information required in the statute; violated § 38.2-502 of the Code by misrepresenting the benefits, advantages, conditions or terms of insurance policies; violated §§ 38.2-610 A, 38.2-1905 A, 38.2-2210 A, 38.2-2230, and 38.2-2234 A of the Code by failing to accurately provide the required notices to insureds; violated § 38.2-1905 C of the Code by failing to properly assign points under safe driver insurance plans; 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 Defendants; 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 § 38.2-2215 of the Code by failing to issue or to renew

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motor vehicle liability insurance on the basis of a motor vehicle's age; violated § 38.2-2220 of the Code by failing to use forms in the precise language of the standard forms filed and adopted by the Commission; and violated § § 38.2-510 A (3) of the Code, as well as 14 VAC 5-400-30, 14 VAC 5-400-40 A, 14 VAC 5-400-70 A, and 14 VAC 5-400-70 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 a defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that a defendant has 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 Forty-one Thousand Eight Hundred Dollars (\$41,800), waived their right to a hearing, agreed to comply with the corrective action plan set forth in their letter to the Bureau dated September 2, 2014, and confirmed that restitution was made to 59 consumers in the amount of Eight Thousand Seven Hundred Eight Dollars and Twenty cents (\$8,708.20).

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 the Defendants 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:
Robin Bogdanich, Esurance Insurance Companies, 1011 Sunset Boulevard, Suite 100, Rocklin, California 95765; 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.