

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 11, 2016

SCC-CLERK'S OFFICE
DOCUMENT CONTROL CENTER

COMMONWEALTH OF VIRGINIA, *ex rel.*
STATE CORPORATION COMMISSION

2016 APR 11 A 10: 36

v.

CASE NO. INS-2016-00059

HOMESITE INSURANCE COMPANY,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that Homesite 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 the information required by the statute in the insurance policy; violated § 38.2-502 of the Code by misrepresenting the benefits, advantages, conditions or terms of insurance policies; violated §§ 38.2-604 A (1), 38.2-604 C, 38.2-610 A, 38.2-2125, and 38.2-2126 A of the Code by failing to accurately provide the required notices to insureds; violated § 38.2-1822 of the Code by permitting persons to act as agents without first obtaining a license; violated § 38.2-1833 of the Code by accepting insurance applications from agents who have not been appointed; violated § 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 §§ 38.2-2113 A, 38.2-2113 C, 38.2-2114 A, and 38.2-2114 C of the Code by failing to properly terminate insurance policies; violated § 38.2-2126 B of the Code by failing to obtain updated credit information; and violated § 38.2-510 A (1) of the Code as well as 14 VAC 5-400-30 and 14 VAC 5-400-70 D of the Commission's Rules Governing

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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 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 Thirty-one Thousand Eight Hundred Dollars (\$31,800), waived its right to a hearing, agreed to comply with the corrective action plan set forth in its letters to the Bureau dated August 7, 2015, and December 18, 2015, and confirmed that restitution was made to 17 consumers in the amount of Sixty-three Thousand One Hundred Eighty-six Dollars and Twenty-eight Cents (\$63,186.28).

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 the Defendant 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:
Andrew A. McElwee, Jr., Chief Operating Officer, Homesite Insurance Company, One Federal
Street – 4th Floor, Boston, Massachusetts 02110; and a copy shall be delivered to the
Commission's Office of General Counsel and the Bureau of Insurance in care of Deputy
Commissioner Rebecca Nichols.