

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, FEBRUARY 23, 2017

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2017-00025

ALLIED PROPERTY & CASUALTY INSURANCE COMPANY,  
AMCO INSURANCE COMPANY,  
COLONIAL COUNTY MUTUAL INSURANCE COMPANY,  
DEPOSITORS INSURANCE COMPANY,  
FARMLAND MUTUAL INSURANCE COMPANY,  
HARLEYSVILLE INSURANCE COMPANY,  
HARLEYSVILLE PREFERRED INSURANCE COMPANY,  
HARLEYSVILLE WORCESTER INSURANCE COMPANY,  
NATIONAL CASUALTY COMPANY,  
NATIONWIDE AGRIBUSINESS INSURANCE COMPANY,  
NATIONWIDE ASSURANCE COMPANY,  
NATIONWIDE GENERAL INSURANCE COMPANY,  
NATIONWIDE MUTUAL INSURANCE COMPANY,  
NATIONWIDE MUTUAL FIRE INSURANCE COMPANY,  
NATIONWIDE PROPERTY & CASUALTY INSURANCE COMPANY,  
SCOTTSDALE INDEMNITY COMPANY,  
SCOTTSDALE INSURANCE COMPANY,  
VICTORIA AUTOMOBILE INSURANCE COMPANY,  
VICTORIA FIRE & CASUALTY COMPANY,  
and  
VICTORIA SELECT INSURANCE COMPANY,  
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that Allied Property & Casualty Insurance Company, AMCO Insurance Company, Colonial County Mutual Insurance Company, Depositors Insurance Company, Farmland Mutual Insurance Company, Harleysville Insurance Company, Harleysville Preferred Insurance Company, Harleysville Worcester Insurance Company, National Casualty Company, Nationwide Agribusiness Insurance Company, Nationwide Assurance Company, Nationwide General

Insurance Company, Nationwide Mutual Insurance Company, Nationwide Mutual Fire Insurance Company, Nationwide Property & Casualty Insurance Company, Scottsdale Indemnity Company, Scottsdale Insurance Company, Victoria Automobile Insurance Company, Victoria Fire & Casualty Company, and Victoria Select Insurance Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq.* ("Rules"), by failing to pay the sales and use tax on first party owner retained total loss settlements.

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 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 each tendered to Virginia the sum of Two Thousand Five Hundred Dollars (\$2,500) for an amount totaling Fifty Thousand Dollars (\$50,000), waived their right to a hearing, agreed to comply with the corrective action plan set forth in their letter to the Bureau dated November 22, 2016, confirmed that restitution was made to 2,695 consumers in the amount of Six Hundred Twenty-eight Thousand Three Hundred Ninety-eight Dollars and Sixty-three Cents (\$628,398.63), and agreed to the entry by the Commission of a cease and desist order.

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) The Defendants cease and desist from any future conduct that constitutes a violation of Rule 14 VAC 5-400-70 D.
- (3) 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:  
 Robert J. Becker, Managing Counsel, Nationwide Insurance Companies, 7501 Boulders View Drive, Richmond, Virginia 23225; 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.