

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, AUGUST 1, 2017

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2017-00159

AMERICAN STRATEGIC INSURANCE
CORPORATION,

Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that American Strategic Insurance Corporation ("Defendant"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated § 38.2-305 A of the Code of Virginia ("Code") by failing to provide accurate information required by the statute in the policies; violated §§ 38.2-305 B, 38.2-604 B, 38.2-604 C, 38.2-604.1, 38.2-610 A, 38.2-2118, 38.2-2120, 38.2-2124, 38.2-2125, 38.2-2126 A, and 38.2-2129 of the Code by failing to accurately provide the required notices to insureds; violated §§ 38.2-1812 and 38.2-1833 of the Code by paying commissions to agencies/agents that are not appointed by the Defendant; violated § 38.2-1822 A of the Code by permitting persons to act as agents without first obtaining a license in the manner and form prescribed by the Commission; violated §§ 38.2-1906 A, 38.2-1906 D, and 38.2-2104 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 C, 38.2-2114 A, 38.2-2114 C, 38.2-2114 E of the Code by failing to properly terminate insurance policies; and violated § 38.2-510 A 1 of the Code, as well as 14

VAC 5-400 30 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 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 Virginia the sum of Thirty-seven Thousand Seven Hundred Dollars (\$37,700), waived its right to a hearing, agreed to comply with the corrective action plan set forth in its letters to the Bureau dated February 24, 2017, and May 2, 2017, and confirmed that restitution was made to 15 consumers in the amount of Four Thousand Two Hundred Sixty-two Dollars and Ninety-three Cents (\$4,262.93).

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:
Angel Conlin, General Counsel, American Strategic Insurance Corporation, 1 ASI Way, Saint Petersburg, Florida 33702; 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.