

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 3, 2018

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2018-00032

GEICO Secure Insurance Company,  
GEICO Advantage Insurance Company,  
GEICO Choice Insurance Company,  
GEICO Indemnity Company,  
Government Employees Insurance Company,  
GEICO General Insurance Company, and  
GEICO Casualty Company,  
Defendants

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that GEICO Secure Insurance Company, GEICO Advantage Insurance Company, GEICO Choice Insurance Company, GEICO Indemnity Company, Government Employees Insurance Company, GEICO General Insurance Company, and GEICO Casualty Company (collectively, "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), violated: §§ 38.2-517 A 3, 38.2-604 C and 38.2-2206 A of the Code of Virginia ("Code") by failing to accurately provide the required notices to insureds; §§ 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; § 38.2-2208 B, 38.2-2212 A, 38.2-2212 D and 38.2-2212 E of the Code by failing to properly terminate insurance policies; § 38.2-2214 of the Code by failing to use the rate classification statement approved by the Bureau; § 38.2-2220 of the Code by failing to use forms in the

precise language of the standard forms previously filed and adopted by the Commission; and § 38.2-2234 B of the Code by failing to update the insured's credit information at least once in a three-year period; as well as 14 VAC 5-400-70 D and 14 VAC 5-400-80 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 Virginia the sum of Fifty Thousand Four Hundred Dollars (\$50,400), waived their right to a hearing, agreed to comply with the corrective action plan set forth in their letters to the Bureau dated October 19, 2016, April 18, 2017, August 18, 2017 and November 1, 2017, and have confirmed that restitution was made to 48 consumers in the amount of Fourteen Thousand Two Hundred Four Dollars and Twenty-one Cents (\$14,204.21).

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:  
Richard Solowan, VP Legislative Counsel, GEICO Insurance Company, One GEICO Plaza 5-T,  
Washington, DC 20076; 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.