

STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 24, 2020

*Document Control Center 04/24/20@8.23 AM*COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2020-00087

AMERICAN CASUALTY COMPANY OF
READING, PENNSYLVANIA,
CONTINENTAL CASUALTY COMPANY,
THE CONTINENTAL INSURANCE COMPANY,
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD,
TRANSPORTATION INSURANCE COMPANY,
and
VALLEY FORGE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct investigation conducted by the Bureau of Insurance ("Bureau"), it is alleged that American Casualty Company of Reading, Pennsylvania, Continental Casualty Company, The Continental Insurance Company, National Fire Insurance Company of Hartford, Transportation Insurance Company, and Valley Forge Insurance Company (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia ("Virginia"), in certain instances violated § 38.2-317 of the Code of Virginia ("Code") by failing to use an insurance policy or endorsement as of the effective date that such policy or endorsement was filed with the Commission; and § 38.2-1906 D of the Code by making or issuing an insurance contract or policy not in accordance with the rate and supplementary rate information filings in effect for the Defendants.

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 the right to a hearing in this matter whereupon the Defendants, without admitting or denying any violation of Virginia law, have made an offer of settlement to the Commission wherein the Defendants have agreed to comply with the corrective action plan outlined in company correspondence dated September 4, 2019, November 22, 2019, and January 29, 2020; have tendered to the Treasurer of Virginia the sum of Fifteen Thousand Dollars (\$15,000); and have waived the right to a hearing.

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.

A COPY hereof shall be sent electronically by the Clerk of the Commission to: Garrett Kyle Williams, Senior Vice President, Chief Compliance Officer, CNA Insurance Group, at Garrett.Williams@cna.com, 151 N. Franklin Street, 9th Floor (SW 905), Chicago, Illinois 60606; 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.