

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, DECEMBER 11, 2020

REGULATORY OFFICE
SECURITY CONTROL CENTER

2020 DEC 11 P 1:57

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2020-00223

ERIE INSURANCE COMPANY, and
ERIE INSURANCE EXCHANGE,
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), it is alleged that Erie Insurance Company and Erie Insurance Exchange (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 § 38.2-1905 A of the Code by increasing its insureds' premiums or charging points under a safe driver insurance plan as a result of a motor vehicle accident where the accident was not caused either wholly or partially by the named insured, a resident of the same household, or other customary operator.

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 violation.

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 November 4, 2020, have confirmed that restitution was made to 22 consumers in the amount of Fourteen Thousand Three Hundred Seventy One Dollars (\$14,371), have tendered to the Treasurer of Virginia the sum of Two Thousand Five Hundred Dollars (\$2,500) for each of the Defendant companies for a total of Five Thousand Dollars (\$5,000), 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 by the Clerk of the Commission by electronic mail to: Mandy Elder, Manager, Compliance Manager, Erie Insurance, at Mandy.Elder@erieinsurance.com, 100 Erie Insurance Place, Erie, Pennsylvania 16530; 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.