

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, JULY 6, 2021

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2021-00075

GEICO ADVANTAGE INSURANCE COMPANY,
GEICO CASUALTY COMPANY,
GEICO CHOICE INSURANCE COMPANY,
GEICO SECURE INSURANCE COMPANY,
Defendants

SETTLEMENT ORDER

Based on a market conduct inquiry performed by the Bureau of Insurance ("Bureau"), it is alleged that GEICO Advantage Insurance Company, GEICO Casualty Company, GEICO Choice Insurance Company, and GEICO Secure 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"), violated: § 38.2-510 A 4 of the Code of Virginia ("Code") and 14 VAC 5- 400-70 E of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq.* of the Virginia Administrative Code by arbitrarily and unreasonably refusing to pay for all removal, cleanup, and recovery costs where the insured was legally liable for the loss.

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 the companies' correspondence dated March 24, 2021 and April 1, 2021; have confirmed restitution was made to 5 consumers in the amount of Two Thousand Seven Hundred Forty-two Dollars and Seventy Cents (\$2,742.70); have tendered to the Treasurer of Virginia the sum of Two Thousand Five Dollars (\$2,500) for each of the Defendant companies for a total of Ten Thousand Dollars (\$10,000); 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 of this order shall be sent by the Clerk of the Commission by electronic mail to: Kelly C. Sue-Ling, Counsel, Office of Legislative Counsel, GEICO, at ksueling@geico.com, One GEICO Plaza, Washington, D.C. 20076-0001; 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.