

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, NOVEMBER 16, 2021

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COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2021-00111

PRIVILEGE UNDERWRITERS RECIPROCAL EXCHANGE,
Defendant

SETTLEMENT ORDER

Based on a market conduct examination performed by the Bureau of Insurance ("Bureau"), it is alleged that Privilege Underwriters Reciprocal Exchange ("Defendant"), 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 10 of the Code of Virginia ("Code") by failing to include with claims payments a statement setting forth the coverage under which payments are being made with such frequency as to indicate a general business practice; §§ 38.2-604 A, 38.2-604 B, 38.2-604 C, 38.2-610 A, 38.2-2125, 38.2-2126 A 1, and 38.2-2129 of the Code by failing to accurately provide the required notices to insureds; § 38.2-1833 of the Code by failing to appoint an agent within thirty (30) days of the date of the insurance application; §§ 38.2-1906 A by failing to file all rates and supplementary rate information with the Bureau and 38.2-1906 D of the Code by failing to use the rates and supplementary rate information on file with the Bureau; and § 38.2-2114 A of the Code of Virginia by failing to accurately terminate insurance policies.

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 the right to a hearing in this matter whereupon the Defendant, without admitting or denying any violation of Virginia law, has made an offer of settlement to the Commission wherein the Defendant has agreed to comply with the corrective action plan outlined in company correspondence dated January 18, 2021, May 13, 2021 and July 16, 2021; has confirmed restitution was made to two consumers in the amount of Two Thousand Four Hundred Ninety Five Dollars and Forty-eight Cents (\$2,495.48); has tendered to the Treasurer of Virginia the sum of Sixteen Thousand Eight Hundred Dollars (\$16,800); and has waived the right to a hearing.

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.

A COPY of this order shall be sent by the Clerk of the Commission by electronic mail to: Rob Brestowski, Associate General Counsel, Privilege Underwriters Reciprocal Exchange, at rbrestowski@pureinsurance.com, 44 South Broadway, Suite 301, White Plains, New York

10601; 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.

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