

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, FEBRUARY 11, 2004

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2003-00114

CONNECTICUT GENERAL LIFE
INSURANCE COMPANY,

Defendant

SETTLEMENT ORDER

Based on an investigation and subsequent allegations by the Bureau of Insurance, it appears that Defendant, duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances, violated §§ 38.2-510 A, 38.2-3405 B, and 38.2-3407.1 of the Code of Virginia by failing to acknowledge and act reasonably promptly upon communications with respect to claims arising under insurance policies with such frequency as to indicate a general business practice, by including in an insurance contract, subscription contract or health services plan a provision requiring a beneficiary of the contract or plan to pay back to Defendant benefits paid to the beneficiary pursuant to the terms of the contract or plan from the proceeds of a recovery by the beneficiary from another source, and by failing to pay the legal rate of interest on a judgment against Defendant from the date of presentation to Defendant of proof of loss to the date judgment was entered.

The Commission is authorized by §§ 38.2-218, 38.2-219, and 38.2-1040 of the Code of Virginia to impose certain monetary penalties, issue cease and desist orders, and suspend or

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revoke Defendant's license upon a finding by the Commission, after notice and opportunity to be heard, that Defendant has committed the aforesaid alleged violations.

Defendant has been advised of its right to a hearing in this matter, whereupon Defendant has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of fifteen thousand dollars (\$15,000) and waived its right to a hearing.

The Bureau of Insurance has recommended that the Commission accept the offer of settlement of Defendant pursuant to the authority granted the Commission in § 12.1-15 of the Code of Virginia.

THE COMMISSION, having considered the record herein, the offer of settlement of Defendant, and the recommendation of the Bureau of Insurance, is of the opinion that Defendant's offer should be accepted.

IT IS THEREFORE ORDERED THAT:

(1) The offer of Defendant in settlement of the matter set forth herein be, and it is hereby, accepted; and

(2) The papers herein be placed in the file for ended causes.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:
S. Mark Payne, Senior Counsel, Legal & Public Affairs, Connecticut General Life Insurance Company, 701 Corporate Center Drive, Raleigh, North Carolina 27607; and the Bureau of Insurance in care of Deputy Commissioner Gerald A. Milsky.