

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION
AT RICHMOND, JUNE 4, 2004

COMMONWEALTH OF VIRGINIA

At the relation of the

STATE CORPORATION COMMISSION

v.

CASE NO. INS-2003-00248

THE GUARDIAN LIFE INSURANCE
COMPANY OF AMERICA,

Defendant

SETTLEMENT ORDER

Based on a target market conduct examination performed by the Bureau of Insurance, it is alleged that Defendant, duly licensed by the Commission to transact the business of insurance in the Commonwealth of Virginia, in certain instances, has violated §§ 38.2-510 A 15, 38.2-1318 C, 38.2-3407.1, 38.2-3407.15 B 1, 38.2-3407.15 B 2, 38.2-3407.15 B 3, 38.2-3407.15 B 4, 38.2-3407.15 B 5, 38.2-3407.15 B 6, 38.2-3407.15 B 7, 38.2-3407.15 B 8, 38.2-3407.15 B 9, and 38.2-5802 C of the Code of Virginia.

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 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, without admitting any violation of Virginia law, has made an offer of settlement to the Commission wherein Defendant has tendered to the Commonwealth of Virginia the sum of twenty-seven thousand dollars (\$27,000), waived its right to a hearing, agreed to pay interest on

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claims paid on or after January 1, 1999 in amounts over ten thousand dollars (\$10,000) within ninety (90) days from the date of entry of this Order, and agreed to pay 100% interest of the total interest on claims paid on or after January 1, 1999 in amounts under ten thousand dollars (\$10,000) to the Virginia Unclaimed Property Division within ninety (90) days from the date of entry of this Order.

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;
- (2) Within ninety (90) days from the date of entry of this Order, Defendant pay interest on claims paid on or after January 1, 1999 in amounts over ten thousand dollars (\$10,000); and
- (3) Within ninety (90) days from the date of entry of this Order, Defendant pay 100% interest of the total interest for claims paid on or after January 1, 1999, in amounts under ten thousand dollars (\$10,000) to the Virginia Unclaimed Property Division.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Christopher K. Fedosh, Senior Project Manager, The Guardian Life Insurance Company of America, 7 Hanover Square, New York, New York 10004-2616; and the Bureau of Insurance in care of Acting Deputy Commissioner Jacqueline K. Cunningham.