

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, MARCH 1, 2023

COMMONWEALTH OF VIRGINIA, *ex rel.*

STATE CORPORATION COMMISSION

v.

MID-CENTURY INSURANCE COMPANY,
and
TRUCK INSURANCE EXCHANGE,
Defendants

600 - 215 K'S OFFICE
REGISTRATION CONTROL CENTER

2023 MAR -1 A 10:14
CASE NO. INS-2023-00002

SETTLEMENT ORDER

Based on a market conduct inquiry conducted by the Bureau of Insurance ("Bureau"), the Bureau has alleged that Mid-Century Insurance Company and Truck Insurance Exchange (collectively, the "Defendants"), duly licensed by the State Corporation Commission ("Commission") to transact the business of insurance in the Commonwealth of Virginia, in certain instances violated 14 VAC 5-400-70 D of the Commission's Rules Governing Unfair Claim Settlement Practices, 14 VAC 5-400-10 *et seq.* of the Virginia Administrative Code by failing to offer to a first party claimant an amount that is fair and reasonable as shown by the investigation of the claim.

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. Through their settlement offer, the Defendants have agreed to

comply with the corrective action plan outlined in company correspondence dated October 27, 2021, November 29, 2021, and February 3, 2022; have confirmed restitution was made to 133 consumers in the amount of Thirty-Six Thousand Four Hundred Ninety-Seven Dollars and Sixty Cents (\$36,497.60); and have waived the right to a hearing.

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

NOW THE COMMISSION, having considered this matter, is of the opinion and finds that the Defendants' settlement offer should be accepted.

Accordingly, IT IS ORDERED THAT:

1. The Defendants' settlement offer is hereby accepted.
2. This case is dismissed.

Commissioner Patricia L. West participated in this matter.

A COPY hereof shall be sent by the Clerk of the Commission by electronic mail to: Victoria L. McCarthy, Vice President of Mid-Century Insurance Company, Vice President of Truck Underwriters Association, Attorney in Fact for Truck Insurance Exchange, c/o Kristina Ceja, at kristina.ceja@farmersinsurance.com, 6301 Owensmouth Avenue, Woodland Hills, California 91367; 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.