

DELAWARE DEPARTMENT OF INSURANCE

MARKET CONDUCT EXAMINATION REPORT

GEICO General Insurance Company
Examination Authority # 35882-16-910

GEICO Advantage Insurance Company, NAIC
Examination Authority # 14138-16-911

GEICO Choice Insurance Company
Examination Authority # 14139-16-912

GEICO Indemnity Insurance Company
Examination Authority # 22055-16-913

Government Employees Insurance Company
Examination Authority # 22063-16-914

GEICO Secure Insurance Company
Examination Authority # 14137-16-915

GEICO Casualty Company
Examination Authority # 41491-16-916

One GEICO Plaza
Washington, DC 20076

As of

February 29, 2016

Trinidad Navarro
Commissioner



Delaware Department of Insurance

I, Trinidad Navarro, Insurance Commissioner of the State of Delaware, do hereby certify that the attached REPORT ON EXAMINATION, made as of February 29, 2016 on

**GEICO General Insurance Company
GEICO Advantage Insurance Company
GEICO Choice Insurance Company
GEICO Indemnity Insurance Company
Government Employees Insurance Company
GEICO Secure Insurance Company
GEICO Casualty Company**

is a true and correct copy of the document filed with this Department.

Attest By:



In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Dover.

Trinidad Navarro
Insurance Commissioner

Trinidad Navarro
Commissioner



Delaware Department of Insurance

REPORT ON EXAMINATION

OF THE

GEICO General Insurance Company
GEICO Advantage Insurance Company
GEICO Choice Insurance Company
GEICO Indemnity Insurance Company
Government Employees Insurance Company
GEICO Secure Insurance Company
GEICO Casualty Company

AS OF

February 29, 2016

The above-captioned Report was completed by examiners of the Delaware Department of Insurance.

Consideration has been duly given to the comments, conclusions and recommendations of the examiners regarding the status of the Company as reflected in the Report.

This Report is hereby accepted, adopted and filed as an official record of this Department.

A handwritten signature in cursive script, reading "Trinidad Navarro", is written above a horizontal line.

Trinidad Navarro
Insurance Commissioner

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Honorable Trinidad Navarro
Insurance Commissioner
State of Delaware
841 Silver Lake Boulevard
Dover, Delaware 19904

Dear Commissioner Navarro:

In compliance with the instructions contained in Certificate of Examination Authority Numbers: 35882-16-910, 14138-16-911, 14139-16-912, 22055-16-913, 22063-16-914, 14137-16-916, and 41491-16-916 and pursuant to statutory provisions including 18 Del. CODE §318-322, a market conduct examination has been conducted of the affairs and practices of:

GEICO Advantage Insurance Company
GEICO Casualty Company
GEICO Choice Insurance Company
GEICO General Insurance Company
GEICO Indemnity Company
Government Employees Insurance Company
GEICO Secure Insurance Company

This examination was performed as of February 29, 2016. GEICO Advantage Insurance Company, GEICO Casualty Company, GEICO Choice Insurance Company, GEICO General Insurance Company, GEICO Indemnity Company, Government Employees Insurance Company, and GEICO Secure Insurance Company, are hereinafter referred to as the Companies or GEICO. The examination consisted of two phases, an on-site phase and an off-site phase. The on-site phase of the examination was conducted at the following Company location:

One GEICO Blvd.
Fredericksburg, Virginia 22412

The off-site examination phase and was performed at the offices of the Delaware Department of Insurance, hereinafter referred to as the "Department" or "DDOI," or other suitable locations.

The report of examination herein is respectfully submitted.

EXECUTIVE SUMMARY

The Company's main administrative offices are located in Chevy Chase, MD.

On their 2015 annual statements filed with the Department, GEICO Advantage Insurance Company, Geico Casualty Company, GEICO Choice Insurance Company, Geico General Insurance Company, Geico Indemnity Company, Government Employees Insurance Company, and GEICO Secure Insurance Company, reported total premiums written for all states of \$22,244,836,646 of which Delaware has a market share of 0.53% or approximately \$117,013,919.

This examination focused on the GEICO Companies private auto lines in the following areas of operation: Complaint Handling, Underwriting and Rating, and Claims. In addition, a targeted Personal Injury Protection (PIP) review of personal auto PIP claims for the period of July 1, 2015 through April 30, 2017 was also conducted.

The following exceptions were noted in the areas of operation reviewed:

1 Exception - 18 Del. C. § 2517 Adherence to filings

No insurer shall make or issue a contract or policy except in accordance with the filings which are in effect for the insurer as provided in this chapter or in accordance with § 2505 (exemption from filing) or § 2509 (excess rates) of this title. This section shall not apply to contracts or policies for inland marine risks as to which filings are not required.

GEICO Choice Insurance Company incorrectly calculated the premium on an auto insurance policy.

1 Exception - Title 18 § 3905 Cancellation or nonrenewal of automobile policy

Notice of cancellation or intention not to renew; notice of reasons [For application of this section, see 79 Del. Laws, c. 390, § 8] (c) The mailing of the notice of cancellation, or of intention not to renew, to the named insured at his or her last address of record with the insurer, shall be by certified mail or by USPS Intelligent Mail barcode (IMb). Proof of mailing of such notice shall be retained by the insurer for a period of not less than 1 year. This subsection shall not apply in case of nonpayment of premium.

GEICO Choice Insurance Company was unable to provide a copy of the termination letter sent to the insured.

2 Exceptions - 18 Del. C. § 2304 Unfair methods of competition and unfair or deceptive acts or practices defined.

The following are hereby defined as unfair methods of competition and unfair or deceptive acts or practices in the business of insurance:

(16) Unfair claim settlement practices. — No person shall commit or perform with such frequency as to indicate a general business practice any of the following:

f. Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear;

Government Employees Insurance Company paid a claim in excess of 30 days after it had all the required information.

GEICO Secure Insurance Company paid a claim in excess of 30 days after it had all the required information.

7 Exceptions - 18 Del. C. § 2712 Filing, approval of forms.

(a) No basic insurance policy or annuity contract, form, or application form where written application is required and is to be made a part of the policy or contract or printed rider or endorsement form or form of renewal certificate shall be delivered or issued for delivery in this State, unless the form has been filed with the Commissioner.

All seven GEICO Companies utilized a policy form that was not approved in accordance with the Delaware statutes.

SCOPE OF EXAMINATION

The Market Conduct Examination was conducted pursuant to the authority granted by 18 Del. C. §§318-322 and covered the experience period of January 1, 2015, through February 29, 2016, unless otherwise noted. The purpose of the examination was to determine compliance by the Company with Delaware insurance laws and regulations related to the private auto lines.

The examination was a targeted market conduct examination of the private auto lines for the period of January 1, 2015, through February 29, 2016.

Prior to finalization of this examination, the review was expanded to include a review of Personal Injury Protection (PIP) claims received from January 1, 2015 through April 30,

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2017. The PIP claims were reviewed to determine compliance with the Delaware insurance laws and regulations pertaining specifically to PIP coverages.

METHODOLOGY

This examination was performed in accordance with Market Regulation standards established by the Department and examination procedures suggested by the NAIC. While the examiners' report on the errors found in individual files, the general business practices of the Company were also a subject of the review.

The Company was requested to identify the universe of files for each segment of the review. Based on the universe sizes identified, random sampling was utilized to select the files reviewed for this examination.

Delaware Market Conduct Examination Reports generally note only those items, to which the Department, after review, takes exception. An exception is any instance of Company activity that does not comply with an insurance statute or regulation. Exceptions contained in the Report may result in imposition of penalties. General practices, procedures, or files that were reviewed by Department examiners during the course of an examination may not be referred to in the Report if no improprieties were noted. However, the Examination Report may include management recommendations addressing areas of concern noted by the Department, but for which no statutory violation was identified. This enables Company management to review these areas of concern in order to determine the potential impact upon Company operations or future compliance.

Throughout the course of the examination Company officials were provided status memoranda which referenced specific policy numbers with citation to each section of law violated. Additional information was requested to clarify apparent violations. An exit conference was conducted with Company officials to discuss the various types of exceptions identified during the examination and review written summaries provided on the exceptions found.

COMPANY OPERATIONS AND MANAGEMENT

Company History

The following is a description of the seven (7) GEICO Companies:

1. GEICO ADVANTAGE INSURANCE COMPANY

GEICO Advantage Insurance Company ("GEICO Advantage") was incorporated on June 13, 2011, in the State of Nebraska and is a wholly-owned subsidiary of GEICO Corporation. On January 2, 1996, GEICO Corporation, previously a publicly owned Delaware corporation listed on the New York Stock Exchange, became an indirect wholly-owned subsidiary of Berkshire Hathaway Inc.

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GEICO Advantage's charter authorizes the writing of multiple lines property and casualty coverage, and it focuses on writing preferred risk automobile insurance sold through direct-response marketing.

In 2015, GEICO Advantage reported \$584,473,309 premium of which \$28,710,303 was written in Delaware.

2. GEICO CASUALTY COMPANY

GEICO Casualty Company ("GC") was incorporated on August 31, 1982, in the state of Maryland under the name of Guardian Casualty Company as a wholly-owned subsidiary of Criterion Insurance Company. Criterion Insurance Company was later renamed GEICO Indemnity Company. The company's name was changed to Criterion Casualty Company in 1983 and to its current name in 1994. Its parent company, GEICO Indemnity Company, is a wholly-owned subsidiary of GEICO Corporation. On January 2, 1996, GEICO Corporation, previously a publicly owned Delaware corporation listed on the New York Stock Exchange, became an indirect wholly-owned subsidiary of Berkshire Hathaway Inc.

GC's charter powers permit the writing of all forms of property and casualty insurance coverage, and it is licensed to do business in all states. GC has historically offered non-standard risk automobile insurance to the military market principally through GEICO field representatives, now known as "GFRs." Its insurance policies are also sold to the general non-standard risk market through direct response marketing techniques.

In 2015, GEICO Casualty reported \$3,239,766,178 premium of which \$2,631,758 was written in Delaware.

3. GEICO CHOICE INSURANCE COMPANY

GEICO Choice Insurance Company ("GEICO Choice") was incorporated on June 13, 2011, in the State of Nebraska and is a wholly-owned subsidiary of GEICO Corporation. On January 2, 1996, GEICO Corporation, previously a publicly owned Delaware corporation listed on the New York Stock Exchange, became an indirect wholly-owned subsidiary of Berkshire Hathaway Inc.

GEICO Choice's charter authorizes the writing of multiple lines property and casualty coverage, and it focuses on writing standard risk automobile insurance sold through direct-response marketing.

In 2015, GEICO Choice reported \$394,050,937 premium of which \$19,609,312 was written in Delaware.

4. GEICO GENERAL INSURANCE COMPANY

The predecessor company to GEICO General Insurance Company (“GG”) was incorporated in Texas on May 15, 1934, under the name of Associated Casualty Company. Renamed as Equitable General Insurance Company, it merged with and into an Iowa company in 1978. Government Employees Insurance Company (“GEICO”) acquired complete financial control of Equitable General Insurance Company on March 31, 1982, and GG’s present name was adopted later that year. On June 22, 1989, GG transferred its domicile to Maryland but retained its original Texas charter date.

Since 1982, GG has been a wholly-owned subsidiary of GEICO, which in turn is a wholly-owned subsidiary of GEICO Corporation. GEICO Corporation was a publicly owned Delaware corporation listed on the New York Stock Exchange until January 2, 1996. On that date, it became an indirect wholly-owned subsidiary of Berkshire Hathaway Inc.

GG’s charter permits the writing of multiple lines property and casualty insurance and it is licensed to write insurance in all states. GG writes preferred risk automobile insurance for individuals who are not government employees or military personnel primarily through direct response marketing.

In 2015, GEICO General reported \$7,910,456,898 premium of which \$31,216,512 was written in Delaware.

5. GEICO INDEMNITY COMPANY

GEICO Indemnity Company (“GI”) was incorporated in the District of Columbia on March 22, 1961, under the name of Criterion Insurance Company. It was a publicly owned company until 1980, when it was 100% acquired by Government Employees Insurance Company (“GEICO”). In 1992, GEICO transferred its ownership in GI to GEICO Corporation. On January 2, 1996, GEICO Corporation, previously a publicly owned Delaware corporation listed on the New York Stock Exchange, became an indirect wholly-owned subsidiary of Berkshire Hathaway Inc.

On January 2, 1986, GI was re-domesticated and reincorporated in the state of Maryland, but retained its original charter date. Later that same year, GI’s present name was adopted. Charter powers permit the handling of all forms of property and casualty insurance coverage, and it is licensed to do business in all states. Historically, GI has marketed automobile and motorcycle insurance to young adults, military personnel and other drivers who do not qualify as preferred risks primarily through GEICO field representatives, now known as “GFRs.” Its insurance policies are also sold to the general standard risk market through direct response marketing techniques.

In 2015, GEICO Indemnity reported \$4,879,252,986 premium of which \$11,543,811 was written in Delaware.

6. GOVERNMENT EMPLOYEES INSURANCE COMPANY

Government Employees Insurance Company (“GEICO”) was incorporated in the District of Columbia on November 30, 1937. GEICO was re-domesticated and reincorporated in the state of Maryland in 1986 but retained its original District of Columbia charter date.

GEICO was publicly owned from 1948 until January 31, 1979, at which time it became a wholly-owned subsidiary of GEICO Corporation. On January 2, 1996, GEICO Corporation, previously a publicly owned Delaware corporation listed on the New York Stock Exchange, became an indirect wholly-owned subsidiary of Berkshire Hathaway Inc.

GEICO’s charter authorizes the writing of multiple lines property and casualty coverage and it has traditionally focused on writing preferred risk automobile insurance to active or retired government employees or military personnel primarily through direct response marketing. It is licensed to write insurance in all states.

In 2015, GEICO reported \$5,034,131,012 premium of which \$12,180,260 was written in Delaware.

7. GEICO SECURE INSURANCE COMPANY

GEICO Secure Insurance Company (“GEICO Secure”) was incorporated on June 13, 2011, in the State of Nebraska and is a wholly-owned subsidiary of GEICO Corporation. On January 2, 1996, GEICO Corporation, previously a publicly owned Delaware corporation listed on the New York Stock Exchange, became an indirect wholly-owned subsidiary of Berkshire Hathaway Inc.

GEICO Secure’s charter authorizes the writing of multiple lines property and casualty coverage, and it focuses on writing nonstandard risk automobile insurance sold through direct-response marketing.

In 2015, GEICO Secure reported \$202,705,326 premium of which \$11,121,963 was written in Delaware.

On their 2015 annual statements filed with the Department, GEICO Advantage Insurance Company, Geico Casualty Company, GEICO Choice Insurance Company, Geico General Insurance Company, Geico Indemnity Company, Government Employees Insurance Company, and GEICO Secure Insurance Company reported total premiums written for all states of \$22,244,836,646 of which Delaware has a market share of 0.53% or approximately \$117,013,919.

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Internal Audit

The Company provided a list of all internal audits conducted within the last three (3) years. Internal audits include those audits completed by an internal audit function within the company or those conducted via a contracted vendor on behalf of the company.

A review of 15 different audit reports covering underwriting and claim operations and functions reveal no irregularities.

Antifraud and Special Investigations Units (SIU)

Antifraud procedures and annual reports were submitted by the Company for review. Interviews were conducted with chief Anti-Fraud and Special Investigation Unit personnel. The reviews and interview provided the examiner a more in-depth look at how the Company handles investigations.

A comparison was made between what the Company has reported to the National Insurance Crime Bureau (NICB) and what the Delaware DOI has on file.

The Company was asked to submit a listing of closed SIU cases that had been referred to their fraud unit for further review. This list was compared to reported cases received by the DOI from the NICB.

No inconsistencies or exceptions were noted.

Board of Directors

A review of the Company's Board of Directors agendas, minutes and attachments for all meeting held during the experience. The review took place at the Company's corporate office in Chevy Chase, MD. It should be noted that initially the Company refused to furnish copies of the Board minutes for the examiners to review. After several months, the Company requested that the Examiners travel to Chevy Chase, MD to conduct this review. While reviewing the minutes the examiners determined that the Company failed to furnish the attachments to the Board minutes. This necessitated the examiners making another trip to Chevy Chase, MD to review these attachments.

All information provided appeared to be in order and no abnormalities were discovered during the review. No exceptions are noted.

COMPLAINT HANDLING

The Company has written procedures on handling all types of complaints and grievances. The examiners received 7 Complaints from GEICO Advantage Insurance Company, 6 Complaints from Geico Casualty Company, 2 Complaints from GEICO Choice Insurance

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Company, 11 Complaints from Geico General Insurance Company, 2 Complaints from Geico Indemnity Company, and 3 Complaints from GEICO Secure Insurance Company.

The complaint log was reviewed for compliance with 18 Del. C. §2304 (17). This section of the Code requires maintenance of a complete record of all complaints received since the date of its last examination. Section 2304 (17) provides that the record shall indicate the total number of complaints, their classification by line of insurance, the nature of each complaint, the disposition of the complaint and the time it took to process each complaint. Written complaint files involving claims were also reviewed for compliance with 18 Del. Admin. Code 902 §1.2.1.2.

No exceptions noted during the review.

UNDERWRITING AND RATING

Policies Applied For

The seven (7) GEICO Companies were requested to provide a list of all policies applied for during the examination period. The Companies were also requested to provide a copy of their rate filings in use during the examination period, to ensure the examiners have the rate methodology and a description of all factors considered during the rating process. It was determined that the Companies utilize tier rating, education, and occupation for new business tier placement. These characteristics have an impact on the rates that policyholders are ultimately charged.

The following are populations and samples reviewed for each company.

Company Name	Population	Sample
GEICO Advantage Insurance Company	12,783	5 policies
Geico Casualty Company	21	5 policies
GEICO Choice Insurance Company	12,415	5 policies
Geico General Insurance Company	125	5 policies
Geico Indemnity Company	1,891	5 policies
GEICO Secure Insurance Company	13,302	5 policies
Government Employees Insurance Company	32	5 policies
Total	40,569	35 policies

1 Exception – 18 Del. C. § 2517 Adherence to filings

No insurer shall make or issue a contract or policy except in accordance with the filings which are in effect for the insurer as provided in this chapter or in accordance with § 2505 (exemption from filing) or § 2509 (excess rates) of this

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title. This section shall not apply to contracts or policies for inland marine risks as to which filings are not required.

A review of the rating for GEICO Choice Insurance Company indicated that the Company had one policy that was not rated properly.

Recommendation: GEICO Choice Insurance Company must properly calculate its premiums in accordance with 18 Del. C. § 2517. Adherence to filings.

Policies Re-written

The seven (7) GEICO Companies were requested to provide a listing of all policies changed or re-written during the examination period, regardless of when the policy became effective, and to include any policy that was re-written, modified or re-issued during the examination period. The Companies were also requested to provide a copy of the rate filings for rates in use during the examination period, and to ensure the examiners have the rate methodology and a description of all factors considered during the rating process.

The GEICO Companies use two different rate structures termed “old rate structure” and “new rate structure”. The Companies using the new rate structure are: GEICO Advantage, GEICO Choice, and GEICO Secure. GEICO Advantage is the preferred group, GEICO Choice is the standard group, and GEICO Secure is the non-standard group. The Company offers a persistency insurance discount sometimes referred to as a continuous insurance discount; these names have been used interchangeably. This factor is driven by the number of years with previous insurer and the number of renewals with GEICO. In rating the policies for GEICO Advantage and GEICO Choice, it has been noted that changing the number of years with the previous insurer changes the factor, but changing the number of renewals does not have an impact. For GEICO Secure, changing the renewal up to 2 results in a discount, changing the renewals above two is the same as two renewals.

The following are populations and samples reviewed for each company.

Company Name	Population	Sample
GEICO Advantage Insurance Company	5,660	5 policies
Geico Casualty Company	2,346	5 policies
GEICO Choice Insurance Company	5,262	5 policies
Geico General Insurance Company	4,719	5 policies
Geico Indemnity Company	3,681	5 policies
GEICO Secure Insurance Company	3,701	5 policies
Government Employees Insurance Company	1,805	5 policies
Total	27,174	35 policies

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There were no exceptions noted.

Policies Terminated

The Company was requested to provide a list of all policies terminated during the examination period. The Company was also requested to provide a copy of the rate filings for rates in use during the examination period, and to ensure the examiners have the rate methodology and a description of all factors considered during the rating process.

Also, if available, the Company was requested to provide a copy of the rating worksheets and support documentation utilized for manual rate calculation purposes.

The Company provided a listing which reported a combined population of 7,250 policies Terminated of which 90 policies were sampled during the examination period.

1 Exception – Title 18 § 3905 Cancellation or nonrenewal of automobile policy

Notice of cancellation or intention not to renew; notice of reasons [For application of this section, see 79 Del. Laws, c. 390, § 8] © The mailing of the notice of cancellation, or of intention not to renew, to the named insured at his or her last address of record with the insurer, shall be by certified mail or by USPS Intelligent Mail barcode (Imb). Proof of mailing of such notice shall be retained by the insurer for a period of not less than 1 year. This subsection shall not apply in case of nonpayment of premium.

Based upon the samples reviewed, the following was noted:

GEICO Choice Insurance Company was unable to provide a copy of the termination letter sent to the insured.

Recommendation: GEICO Choice Insurance Company must maintain copies of the termination letters sent to insureds as required by Title 18 § 3905 Cancellation or nonrenewal of automobile policy.

Policy Forms

The Company was requested to provide copies of all policy forms issued to Delaware insureds during the examination period.

The Company provided a listing which reported 75 policy forms in use during the examination period.

The Company was requested to complete the listing by indicating whether or not the form in use was a policy contract, rider, endorsement, amendment, application, etc. Also, the Company was to indicate the date the form was approved or whether or not the form was

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stamped by the Department. In addition, the Company was requested to indicate the SERFF filing of all the forms or a copy of the stamped approval by the Department.

All 75 policy forms were reviewed for compliance with 18 Del. C. § 2712.

The following violations were noted:

7 Exceptions – 18 Del. C. § 2712 Filing, approval of forms.

(a) No basic insurance policy or annuity contract, form, or application form where written application is required and is to be made a part of the policy or contract or printed rider or endorsement form or form of renewal certificate shall be delivered or issued for delivery in this State, unless the form has been filed with the Commissioner.

The following policy form was not approved in accordance with the Delaware statutes.

Form	Form #	Date Approved	Dept. Stamp	Company Filing No.	SERFF	Filing Status
Request for cancellation	M461 (07-14)	N/A	N/A	N/A	N/A	N/A

This exception applied to all seven (7) of the GEICO Companies.

Recommendation: All seven (7) GEICO Companies shall have all policy forms approved by the Delaware Department of Insurance prior to use as required by 18 Del. C. § 2712 Filing, approval of forms.

CLAIMS

Paid Claims

The Company provided a listing of all claims paid during the examination period for each company. The following are populations and samples reviewed for each company. The Company agreed to utilize one composite sample of 275 representing all seven companies.

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Company Name	Population	Sample
GEICO Advantage Insurance Company	11,342	68 paid claims
Geico Casualty Company	754	20 paid claims
GEICO Choice Insurance Company	7,173	43 paid claims
Geico General Insurance Company	11,828	72 paid claims
Geico Indemnity Company	3,745	23 paid claims
GEICO Secure Insurance Company	3,645	22 paid claims
Government Employees Insurance Company	4,493	27 paid claims
Total	42,980	275 paid claims

2 Exceptions - 18 Del. C. § 2304 Unfair methods of competition and unfair or deceptive acts or practices defined.

The following are hereby defined as unfair methods of competition and unfair or deceptive acts or practices in the business of insurance:

(16) Unfair claim settlement practices. — No person shall commit or perform with such frequency as to indicate a general business practice any of the following:

f. Not attempting in good faith to effectuate prompt, fair and equitable settlements of claims in which liability has become reasonably clear;

It was noted in one paid claim file that Government Employees Insurance Company did not pay a claim for which all proofs of loss were received within 30 days.

Recommendation: Government Employees Insurance Company shall pay its claims within 30 days after it has obtained all the required information as required by 18 Del. C. § 2304 Unfair methods of competition and unfair or deceptive acts or practices defined.

It was noted in one paid claim file that GEICO Secure Insurance Company did not pay a claim for which all proofs of loss were received within 30 days.

Recommendation: GEICO Secure Insurance Company shall pay its claims within 30 days after it has obtained all the required information as required by 18 Del. C. § 2304 Unfair methods of competition and unfair or deceptive acts or practices defined.

There were no violations noted for any of the other GEICO companies.

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Claims Closed Without Payment

A combined sample of 275 Claims Closed Without Payment (CWP) were sampled during the examination period. The Company agreed to utilize one composite sample of 275 representing all seven companies.

Company Name	Population	Sample
GEICO Advantage Insurance Company	3,025	72 CWP
Geico Casualty Company	240	5 CWP
GEICO Choice Insurance Company	2,129	50 CWP
Geico General Insurance Company	3,019	71 CWP
Geico Indemnity Company	1,049	25 CWP
GEICO Secure Insurance Company	1,126	27 CWP
Government Employees Insurance Company	1,039	25 CWP
Total	11,627	275 CWP

There were no exceptions noted.

PIP Review

On May 16, 2017, pursuant to 18 Del. C. §318, the Company was notified that the following examinations will be expanded.

- Geico General Insurance Company, #35882-16-910
- GEICO Advantage Insurance Company, #14138-16-911
- GEICO Choice Insurance Company, #14139-16-912
- Geico Indemnity Insurance Company, #22055-16-913
- Government Employees Insurance Company, #22063-914
- GEICO Secure Insurance Company, #14137-16-915
- Geico Casualty Company, #41491-16-916

The expansion included a targeted review of personal auto PIP claims for the period of July 1, 2015 through April 30, 2017. In order to determine whether the Companies were paying the PIP claims properly, the examiners requested that the companies provide the populations of all PIP paid claims during the period under review. The population for all 7 GEICO companies was combined and using NAIC Standards, a random sample of 109 PIP paid claims was selected. The examiners reviewed the sample files and no exceptions were noted.

CONCLUSION

As stated in the Scope of Examination section, the purpose of the examination was to determine compliance by the Company with Delaware insurance laws and regulations related to the private auto lines.

The recommendations made below identify corrective measures the Department finds necessary as a result of the exceptions noted in the Report. Location in the Report is referenced in parenthesis.

1. It is recommended that GEICO Choice Insurance Company properly calculate its premiums in accordance with 18 Del. C. § 2517. Adherence to filings.
2. It is recommended that GEICO Choice Insurance Company maintain copies of the termination letters sent to insureds as required by Title 18 § 3905 Cancellation or nonrenewal of automobile policy.
3. It is recommended that Government Employees Insurance Company pay its claims within 30 days after it has obtained all the required information as required by 18 Del. C. § 2304 Unfair methods of competition and unfair or deceptive acts or practices defined.
4. It is recommended that GEICO Secure Insurance Company pay its claims within 30 days after it has obtained all the required information as required by 18 Del. C. § 2304 Unfair methods of competition and unfair or deceptive acts or practices defined.
5. It is recommended that all seven (7) GEICO Companies shall have all its policy forms approved by the Delaware Department of Insurance prior to its use as required by 18 Del. C. § 2712 Filing, approval of forms.

The examination conducted by Shelly Shuman, Joseph Krug, Jason Nemes, Gwen Douglas, Linda Armstrong, and James Hartsfield is respectfully submitted.



Joseph Krug, CPA, MCM, AFE
Examiner-in-Charge