BEFORE THE INSURANCE COMMISSIONER

FOR THE STATE OF DELAWARE

IN THE MATTER 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	)	
	)	**DOCKET NO. 3665-2017**
NAIC # 35882, 14138, 14139, 22055, 22063	)	
14137 and 41491	)	
	)	
One GEICO Plaza	)	
Washington, DC 20076	)	

STIPULATION AND CONSENT ORDER

THIS STIPULATION AND CONSENT ORDER is entered into as of NOVEMBER 9TH, 2017, by and between the GEICO Insurance Companies (the "Respondent") and the State of Delaware Department of Insurance ("Department"). The Respondent and the Department are collectively referred to herein as the "Parties."

WHEREAS, Respondent is an automobile insurance company authorized to conduct the business of insurance in the State of Delaware; and

WHEREAS, the Department, through its examiners, conducted a target market conduct examination ("Examination") of Respondent's affairs and practices as of February 29, 2016; and

WHEREAS, the Department, through its examiners, prepared and provided to Respondent for review and comments draft versions of a report of the Examination; and

WHEREAS, Respondent has reviewed and commented on such draft versions of the report of the Examination; and

WHEREAS, after considering Respondent's comments, the Department, through its examiners, has prepared a final report of the Examination, dated as of February 29, 2016 ("Final Examination Report"); and

WHEREAS, among other findings contained in the Final Examination Report, the Department concluded that the Respondent's practices and procedures did not comply with

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.

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.

WHEREAS, after communications with the Department, Respondent desires to resolve this matter without recourse to any administrative hearing or court action (such as an appeal).

NOW, THEREFORE, IT IS AGREED, by and between Respondent and the Department as follows:

1. Respondent accepts the Final Examination Report, waives any right to a hearing thereon, and agrees that the Department may file the Final Examination Report without any further modifications.

2. Upon its execution of this Stipulation and Consent Order, Respondent shall pay to the Department an administrative penalty for the Notice Violations in the amount of Nine Thousand Dollars ($9,000.00). Respondent shall make its check for the administrative penalty payable to the "State of Delaware."

3. Respondent waives any right to challenge in an administrative or court proceeding any of the terms and conditions of this Stipulation and Consent Order.

4. This Stipulation and Consent Order is the free and voluntary act of the Respondent, and its terms are binding upon the Respondent and may be admitted into evidence in any judicial or administrative proceeding against the Respondent to enforce such terms. Respondent acknowledges that it has had a full opportunity to seek and receive advice of counsel on all matters related to this Stipulation and Consent Order.

5. This Stipulation and Consent Order contains all of the terms and conditions agreed to by the parties and constitutes the final agreement between the Respondent and the Department.

6. No change, amendment, or modification hereto shall be effective or binding unless it is in writing, dated, and signed by the parties.

7. If the Department fails to act on any one or more defaults by the Respondent, such failure to act shall not be a waiver of any rights hereunder on the part of the Department to declare the

Respondent in default and to take such action as may be permitted by this Stipulation and Consent Order or by law.

8. This Stipulation and Consent Order may be signed in duplicate, and both documents shall be considered originals. The person executing this Stipulation and Consent Order on behalf of Respondent shall acknowledge his or her signature before a Notary Public and, by executing this Stipulation and Consent Order, certifies that he or she is duly authorized to execute this Stipulation and Consent Order on behalf of Respondent. Respondent agrees that an uncertified copy of this Stipulation and Consent Order shall be valid as evidence in any proceeding for purposes of enforcement.

9. This Stipulation and Consent Order shall survive the Respondent and be enforceable against its successors, transferors, or assigns.

[***Signature Page Follows***]

The GEICO INSURANCE COMPANIES

Print Name: Richard Solowan
Title: VP & Legislative Counsel
Date: 11/9/17

DELAWARE INSURANCE DEPARTMENT

TRINIDAD NAVARRO
Insurance Commissioner
Date: 11-17-2017

Witness to Respondent's Signature
Name:
Title:
Date:

STATE OF Maryland)
) **SS.**
COUNTY OF Montgomery)

The foregoing instrument was acknowledged before me this 9th day of NOV. 2017, by Richard Solowan, who is personally known to me or who has produced _____ as identification, and who certified that he or she is duly authorized to execute this document on behalf of Respondent.

GIVEN under my Hand and Seal of office, the day and year aforesaid.

DEBRA NIELSEN
My Commission Expires
NOTARY PUBLIC
03-25-2018
MONTGOMERY COUNTY, MD

Debra C. Nielsen
NOTARY PUBLIC

Debra C. Nielsen
PRINT NAME

3-25-18
MY COMMISSION EXPIRES