STATE OF OREGON
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES
DIVISION OF FINANCIAL REGULATION

In the Matter of GEICO GENERAL INSURANCE COMPANY, Respondent.	Case No. INS-22-0111 ORDER TO CEASE AND DESIST, ORDER ASSESSING CIVIL PENALTIES, AND CONSENT TO ENTRY OF ORDER

The Division of Financial Regulation (the "Division"), acting on behalf of the Director of the Department of Consumer and Business Services for the State of Oregon (the "Director"), conducted an investigation of GEICO General Insurance Company ("Respondent"). The Division determined that Respondent violated provisions of Oregon Revised Statutes ("ORS") chapters 731, 732, 733, 734, 735, 737, 742, 743, 743A, 744, 746, 748 and 750 ("Insurance Code") and the Oregon Administrative Rules ("OAR") promulgated under those laws.

Respondent submits to the Director's jurisdiction and agrees to waive its rights to notice and an administrative hearing under ORS 183.415 and wishes to resolve this matter by consenting to entry of this Consent Order.

Now, therefore, as evidenced by the authorized signature(s) subscribed herein, the Director issues the following Findings of Fact, Conclusions of Law, and Final Orders.

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350 Winter Street NE, Suite 410
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FINDINGS OF FACT

The Director FINDS that:

1. Respondent's National Association of Insurance Commissioners ("NAIC") company code is 35882 and its NAIC company number is 39191102. Respondent is domiciled in Nebraska and has been licensed to transact various lines of business in Oregon since 1978.

2. Respondent employs an individual identified herein as "MR," who is a non-resident individual insurance producer that sought to become licensed in Oregon.

3. On June 15, 2022, MR filed an application with the Division for an Oregon non-resident insurance producer license (the "First Application").

4. Question 1a on the insurance producer license application asks: "Have you ever been convicted of a misdemeanor, had a judgment withheld or deferred, or are you currently charged with committing a misdemeanor?" MR completed the license application and answered Question 1a accurately with a "yes."

5. On June 28, 2022, while the First Application was still pending, Respondent, as an authorized submitter for MR, filed a second application for an Oregon non-resident insurance producer license on behalf of MR (the "Second Application").

6. The Second Application falsely answered Question 1a with a "no".

7. Because of the inaccurate answer provided on the Second Application, the Division's licensing system automatically processed a license to MR before the Division had the opportunity to review and evaluate the First Application.[1]

8. Respondent and MR represent to the Division that MR did not review or approve the Second Application nor was MR even aware that the Second Application was filed.

9. Respondent represents to the Division that they claim full responsibility for the false answer provided in the Second Application.

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CONCLUSIONS OF LAW

The Director CONCLUDES that:

10. Under ORS 731.418(1)(a), the Director may refuse to continue or may suspend or revoke an insurer's certificate of authority if the Director finds after a hearing that the insurer has violated or failed to comply with any lawful order of the Director, or any

[1] MR was convicted of public intoxication, a misdemeanor offence, on March 21, 2017.

provision of the Insurance Code.

11. Under ORS 731.260, no person shall file or cause to be filed with the Director any article, certificate, report, statement, application or any other information required or permitted to be so filed under the Insurance Code and known to such person to be false or misleading in any material respect.

12. Because Respondent filed or caused to be filed with the Director a statement or application containing false information the Second Application, submitted on behalf of MR, in violation of ORS 731.260, the Director may refuse to continue or may suspend or revoke Respondent's certificate of authority under ORS 731.418(1)(a).

13. Under ORS 731.988(1), a person that violates any provision of the Insurance Code shall forfeit and pay to the General Fund of the State Treasury a civil penalty in an amount determined by the Director that does not exceed $10,000 for each offense.

14. Because Respondent violated ORS 731.260, the Director may impose a civil penalty against Respondent up to $10,000 under ORS 731.988(1).

15. Under ORS 731.252(1), whenever the Director has reason to believe that any person has been engaged or is engaging or is about to engage in any violation of the Insurance Code, the Director may issue an order, directed to such person, to discontinue or desist from such violation or threatened violation.

16. Because the Director has reason to believe that Respondent has violated ORS 731.260, the Director may issue an order directed to Respondent to discontinue or desist from that violation under ORS 731.252(1).

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ORDERS

The Director issues the following ORDERS:

Order to Cease and Desist

17. Pursuant to the authority of ORS 731.252(1), the Director hereby orders Respondent to CEASE AND DESIST from violating ORS 731.260.

Order Assessing Civil Penalties

18. Pursuant to ORS 731.988(1), the Director hereby ORDERS the assessment of one thousand dollars ($1,000) in CIVIL PENALTIES against Respondent for violating ORS 731.260.

19. The Director SUSPENDS collection of five hundred dollars ($500) of the foregoing civil penalties, provided Respondent submits simultaneously with this executed Consent Order the remaining five hundred dollars ($500) of civil penalties and Respondent complies with all terms of this Consent Order and the Insurance Code.

20. The Director agrees to waive the foregoing suspended five hundred dollars ($500) of civil penalties at the end of a period of three (3) years from the effective date of this Consent Order provided that Respondent complies with the terms of this Consent Order and does not have any further violations of ORS 731.260 during such three-year timeframe

21. If Respondent fails to comply with this Consent Order or otherwise fails to comply with the provisions of the Insurance Code cited herein within the period of three (3) years, then the suspended portion of the civil penalties shall become immediately due and payable and the Division may take additional action against Respondent.

NONDISCHARGEABILITY

22. Respondent agrees the facts and violations set forth in this Order may be taken as true without further proof in any bankruptcy case or subsequent civil litigation the Director may pursue to enforce its rights to any payment or money judgment under the terms of this Order, including but not limited to any nondischargeablity complaint in any bankruptcy proceeding and that this Order shall have collateral estoppel effect in any bankruptcy case.

FINAL ORDER

23. This Order is a "Final Order" under ORS 183.310(6)(b). Subject to that provision, entry of this Order in no way limits or prevents further remedies, sanctions, or

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actions which may be available to the Director under Oregon law to enforce this Order, for violations of this Order, for conduct or actions of Respondent that are not covered by this Order, or against any party not covered by this Order.

IT IS SO ORDERED.

Dated this 14th day of February, 2022.

Andrew R. Stolfi, Director
Department of Consumer and Business Services

/s/ Dorothy Bean
Dorothy Bean, Chief of Enforcement
Division of Financial Regulation

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CONSENT TO ENTRY OF ORDER

I, Seth Ingall state that I hold the title of SVP and I am an authorized representative of Respondent GEICO General Insurance Company ("GEICO") with the authority to sign this Consent Order on behalf of GEICO. I have read the Order and I fully understand the contents hereof. I have been advised of the right to a hearing and of the right to be represented by counsel in this matter. GEICO voluntarily consents to the entry of this Order without any force or duress, expressly waiving any right to a hearing in this matter, as well as any rights to administrative or judicial review of this order. GEICO understands that this is a "Final Order" under ORS 183.310(6)(b). understands that the Director reserves the right to take further action to enforce this Order or to take appropriate action upon discovery that GEICO has committed other violations of the Insurance Code. GEICO will fully comply with the terms and conditions stated herein.

GEICO understands that this Order is a public document.

Signature: /s/ Seth Ingall

Title: SVP/CCO

State of: Maryland

County of: Montgomery

Signed or attested before me on this 5th day of January

by _____

/s/ Michelle Holmes Robinson

Notary Public

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