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3 **STATE OF OREGON**
4 **DEPARTMENT OF CONSUMER AND BUSINESS SERVICES**
5 **DIVISION OF FINANCIAL REGULATION**

6 In the Matter of:

Case No. INS-23-0063

7 GEICO Casualty Company, GEICO General
8 Insurance Company, GEICO Advantage
9 Insurance Company, GEICO Choice
10 Insurance Company, GEICO Secure
11 Insurance Company, Government Employees
12 Insurance Company, GEICO Indemnity
13 Insurance Company and GEICO County
14 Mutual Insurance Company

**FINAL ORDER TO CEASE AND
DESIST AND FINAL ORDER
ASSESSING CIVIL PENALTIES,
ENTERED BY CONSENT**

15 Respondents.

16 The Director of the Oregon Department of Consumer and Business Services for
17 the State of Oregon (the “Director”), through the Division of Financial Regulation (the
18 “Division”), investigated the business activities of GEICO Casualty Company, GEICO
19 General Insurance Company, GEICO Advantage Insurance Company, GEICO Choice
20 Insurance Company, GEICO Secure Insurance Company, Government Employees
21 Insurance Company, GEICO Indemnity Insurance Company and GEICO County Mutual
22 Insurance Company (collectively, the “GEICO Group”) and determined that they violated
23 certain provisions of Oregon Revised Statutes (“ORS”) chapter 742 and the rules
24 promulgated thereunder (collectively, the “Insurance Code”).

25 The GEICO Group cooperated with the Director’s investigation and wishes to
26 settle this matter.

Now, therefore, as evidenced by the signature(s) subscribed in this Order, the
GEICO Group hereby CONSENTS to entry of this Order upon the Director’s Findings of
Fact and Conclusions of Law below.

Division of Financial Regulation
Labor and Industries Building
350 Winter Street NE, Suite 410
Salem, OR 97301-3881
Telephone: (503) 378-4387



FINDINGS OF FACT

The Director FINDS that:

1. The following companies are property and casualty carriers that provide insurance products in Oregon and maintain a principal place of business at One GEICO Plaza Washington, DC, 20076-001:

- A. GEICO Casualty Company, NAIC Company Code Number 41491;
- B. GEICO General Insurance Company, NAIC Company Code Number 35882;
- C. GEICO Advantage Insurance Company, NAIC Company Code Number 14138;
- D. GEICO Choice Insurance Company, NAIC Company Code Number 14139;
- E. GEICO Secure Insurance Company, NAIC Company Code Number 14137;
- F. Government Employees Insurance Company, NAIC Company Code Number is 22063; and
- G. GEICO Indemnity Company, NAIC Company Code Number 22055.

2. GEICO County Mutual Insurance Company is a property & casualty carrier that did not write any Oregon policies, but certain policies written in Texas resulted in Oregon losses. GEICO County Mutual’s NAIC Company Code Number is 29181 and its principal place of business is One GEICO Plaza Washington, DC, 20076-001.

3. On January 26, 2022, after receiving multiple complaints concerning GEICO Casualty’s total loss claim handling, the Division requested that GEICO Casualty provide documentation showing all Oregon 1st and 3rd- Party Total Loss Claims it had processed

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1 from January 1, 2021, through December 31, 2021.

2 4. In response to the Division's request, the GEICO Group provided data
3 showing that, for the time period of January 1, 2020, through December 31, 2022, the
4 GEICO Group did not provide the required Oregon total loss notice at the time they
5 offered to make a cash settlement to claimants in 901 of the claims.¹

6 5. For the same time period, the GEICO Group also provided data to the
7 Division showing that the GEICO Group failed to include all of the applicable taxes,
8 license fees, and other fees incident to transfer of ownership required to be paid by OAR
9 836-080-0240(3) in 5,821 of the total loss claims.²

10 6. For these 5,821 total loss claims where the GEICO Group failed to include all
11 of the applicable taxes, license fees, and other fees incident to transfer of ownership, the
12 GEICO Group provided data showing it had underpaid Oregon claimants a total of
13 \$539,031.11. During the course of the Division's investigation, the GEICO Group made full
14 restitution to those consumers, with interest.
15

16 CONCLUSIONS OF LAW

17 The Director CONCLUDES that:

18 7. The Director has jurisdiction over GEICO Group's business activities under
19 ORS 731.236.

20 8. By failing to send claimants the Oregon total loss notice at the time each
21 GEICO Group company offered to make a cash settlement as described in paragraph 4,
22

23 ¹ The claims per company without total loss notices timely provided are as follows: GEICO Casualty – 528,
24 GEICO – 30, GEICO General – 75, GEICO Choice – 19, GEICO Indemnity – 52, GEICO County Mutual –
3, GEICO Secure – 166, GEICO Advantage – 28

25 ² The claims per company without payment of all applicable taxes and fees are as follows: GEICO Casualty
26 – 4161, GEICO – 109, GEICO General – 294, GEICO Choice – 64, GEICO Indemnity – 71, GEICO County
Mutual – 54, GEICO Secure – 1003, GEICO Advantage – 65

1 each GEICO Group company violated ORS 742.554(2) and OAR 836-080-0240(4).

2 9. By failing to pay all of the applicable taxes or fees as described in paragraph 5,
3 each GEICO Group violated OAR 836-080-0240(3).

4 10. Because each GEICO Group company violated ORS 742.554(2), OAR 836-
5 080-0240(3), and OAR 836-080-0240(4), the Director is authorized by ORS 731.252(1)
6 to order the GEICO Group to cease and desist from violating those rules.

7 11. ORS 731.988(1) authorizes the Director to assess up to a \$10,000 civil penalty
8 against the GEICO Group for *each violation* of the Insurance Code.

9 **ORDERS**

10 Now therefore, the Director issues the following Orders:

11 **Order to Cease and Desist**

12
13 12. As authorized by ORS 731.252(1), the Director ORDERS each GEICO Group
14 company to CEASE AND DESIST from violating ORS 742.554(2), OAR 836-080-
15 0240(3), and OAR 836-080- 0240(4).

16 **Order Assessing Penalties**

17 13. As authorized by ORS 731.988(1), the Director ORDERS the GEICO Group to
18 pay \$672,200.00 in CIVIL PENALTIES, jointly and severally, for its 901 violations of
19 ORS 742.554(2) and OAR 836-080-0240(4) and its 5,821 violations of OAR 836-080-
20 0240(3)(b). Those CIVIL PENALTIES are as follows:

- 21 A. GEICO Casualty – \$52,800.00 for violations of ORS 742.554(2) and OAR
22 836-080-0240(4) and \$416,100.00 for violations of OAR 836-080-
23 0240(3)(b);
24 B. GEICO – \$3,000.00 for violations of ORS 742.554(2) and OAR 836-080-
25 0240(4) and \$10,900.00 for violations of OAR 836-080-0240(3)(b);
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C. GEICO General – \$7,500.00 for violations of ORS 742.554(2) and OAR 836-080-0240(4) and \$29,400.00 for violations of OAR 836-080-0240(3)(b);

D. GEICO Choice – \$1,900.00 for violations of ORS 742.554(2) and OAR 836-080-0240(4) and \$6,400.00 for violations of OAR 836-080-0240(3)(b);

E. GEICO Indemnity – \$5,200.00 for violations of ORS 742.554(2) and OAR 836-080-0240(4) and \$7,100.00 for violations of OAR 836-080-0240(3)(b);

F. GEICO County Mutual – \$300.00 for violations of ORS 742.554(2) and OAR 836-080-0240(4) and \$5,400.00 for violations of OAR 836-080-0240(3)(b);

G. GEICO Secure – \$16,600.00 for violations of ORS 742.554(2) and OAR 836-080-0240(4) and \$100,300.00 for violations of OAR 836-080-0240(3)(b); and

H. GEICO Advantage – \$2,800.00 for violations of ORS 742.554(2) and OAR 836-080-0240(4) and \$6,500.00 for violations of OAR 836-080-0240(3)(b).

14. The Director SUSPENDS \$403,320.00 of the CIVIL PENALTIES, provided the GEICO Group complies with these conditions:

A. The GEICO Group does not have any new violations of ORS 742.554(2), OAR 836-080-0240(4), or OAR 836-080-0240(3);

B. The GEICO Group does not violate the terms of this Consent Order.

15. If the GEICO Group satisfies the above conditions, the Director shall waive the suspended portion of the civil penalties three years after the date of this Order. If the

1 GEICO Group fails to satisfy the above conditions during the three-year period following
2 the date of this Order, however, the suspended portion of the civil penalties, amounting to
3 \$403,320.00, will become immediately due and owing.

4 16. Along with this Order, the GEICO Group shall submit \$268,880.00 to the
5 Director as payment for the non-suspended civil penalties. Such payment shall be made at
6 the time the GEICO Group signs and returns this Consent Order to the Director.

7 17. This Order is a “Final Order” under ORS 183.310(6)(b). Subject to that
8 provision, entry of this Order does not limit or prevent further remedies available to the
9 Director under Oregon law to enforce this Order or take action for violations of this
10 Order or of the Insurance Code not covered by this Order.
11
12

13 SO ORDERED this 13th day of August, 2024

14
15 ANDREW R. STOLFI, Director
16 Department of Consumer and Business Services

17 /s/ Dorothy Bean

18 Dorothy Bean, Chief of Enforcement
19 Division of Financial Regulation
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ENTITY CONSENT TO ENTRY OF ORDER

I, Tracey Laws, am an officer or manager of GEICO Casualty Co., GEICO General Insurance Co., GEICO Advantage Insurance Co., GEICO Choice Insurance Co., GEICO Secure Insurance Co., Government Employees Insurance Co., and GEICO Indemnity Insurance Co. (collectively, "GEICO") and I am authorized to act and sign on their behalf. I have read the foregoing Order, and I know and fully understand the contents hereof. The factual allegations stated herein are true and correct. GEICO has been advised of the right to a hearing and of the right to be represented by counsel in this matter and 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 the Director reserves the right to take further action against it to enforce this Order or to take appropriate action upon discovery that GEICO has committed other violations of the Insurance Code. GEICO, along with its officers, directors, employees, or agents, will fully comply with the terms and conditions stated herein.

GEICO understand that this Order is a public document.

Signature: /s/ Tracey Laws

Position Held: VP. Head of Government & Regulatory Affair

State of Maryland

County of Montgomery

Signed or attested before me on this 5 day of August, 2024.

/s/ Adriana Vejarano Samper
Notary Public

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Telephone: (503) 378-4387



ENTITY CONSENT TO ENTRY OF ORDER

I, Chris Nowack, am an officer or manager of GEICO County Mutual Insurance Co. (“GEICO County Mutual”) and I am authorized to act and sign on their behalf. I have read the foregoing Order, and I know and fully understand the contents hereof. The factual allegations stated herein are true and correct. GEICO County Mutual has been advised of the right to a hearing and of the right to be represented by counsel in this matter and GEICO County Mutual 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 County Mutual understands that the Director reserves the right to take further action against it to enforce this Order or to take appropriate action upon discovery that GEICO County Mutual has committed other violations of the Insurance Code. GEICO County Mutual, along with its officers, directors, employees, or agents, will fully comply with the terms and conditions stated herein.

GEICO County Mutual understand that this Order is a public document.

Signature: /s/ Christopher Nowack

Position Held: Secretary

State of Maryland

County of Montgomery

Signed or attested before me on this 5 day of August, 2024.

/s/ Adriana Vejarano Samper
Notary Public

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