

State of Rhode Island and Providence Plantations
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF INSURANCE
1511 PONTIAC AVENUE, BLDG. 69-2
CRANSTON, RHODE ISLAND 02920

IN THE MATTER OF:

**GOVERNMENT EMPLOYEES
INSURANCE COMPANY**

18-IN-002

**GEICO GENERAL INSURANCE
COMPANY**

GEICO INEMNITY COMPANY

GEICO CASUALTY COMPANY

RESPONDENTS.

CONSENT AGREEMENT

It is hereby agreed between the Department of Business Regulation ("Department") and Government Employees Insurance Company, GEICO General Insurance Company, GEICO Indemnity Company and GEICO Casualty Company ("Respondents") as follows:

1. Respondents are insurers licensed in the State of Rhode Island to issue property & casualty insurance policies including automobile insurance policies.
2. RI Gen Law 27-9.1-4(25) and Insurance Regulation 230-RICR-20-40-2.8 are applicable to all total loss claims arising out of an automobile insurance policy issued in Rhode Island.
3. It is the position of the Department that the loss attributable to a totaled vehicle includes all fees incidental to the transfer of ownership of a comparable vehicle.

4. In May 2018 the Department received a consumer complaint indicating that one of Respondents failed to pay the appropriate title, registration and other fees incident to transfer of evidence of ownership of a comparable automobile.

5. As a result of this complaint investigation, the Department requested further information from Respondents, including the number of Rhode Island total loss claims that were not settled in compliance with RI General Law 27-9.1-4(25) and Insurance Regulation 230-RICR-20-40-2.8.

6. Respondents conducted a prompt and thorough investigation of four thousand, two hundred and ninety-three (4,293) applicable claim files since February 1, 2015 through the Department's inquiry on May 4, 2018. Of that total, three thousand, four hundred and nineteen (3,419) claimants were paid an amount lower than the appropriate fees, and eight hundred and seventy-four (874) were paid higher amounts than the appropriate fees.

8. The Department contends that failure to pay the appropriate fees with the claim is a violation of R.I. Gen. Laws § 27-9.1-4 (1), (3) and (4) and Insurance Regulation 230-RICR-20-40-2.

THEREFORE, based on the foregoing, Respondent and the Department have decided to resolve this matter without further administrative proceedings and hereby agree to the following resolution:

1. Respondent will pay to each of the three thousand, four hundred and nineteen (3,419) claimants identified an amount representing the appropriate fees incidental to transfer of ownership of a replacement vehicle in a total loss cash settlement plus 12% interest. Respondent's remediation before the 12% interest will total \$141,813.50.

2. Respondent agrees that such fees will be paid on all total loss settlements in the future in accordance with Insurance 230-RICR-20-40-2.
3. Respondent will pay a fine of \$20,000.


Counsel for the Department and Respondent hereby consent and agree to the foregoing on behalf of their respective clients the 28th day of August 2018.

Department of Business Regulation
By its Legal Counsel,



Matthew M. Gendron, Esq.

Government Employees Insurance Company,
GEICO General Insurance Company, GEICO
Indemnity Company and GEICO Casualty Company
By their attorney,



Richard Solowan, Esq.