



**STATE OF RHODE ISLAND & PROVIDENCE PLANTATIONS
DEPARTMENT OF BUSINESS REGULATION
DIVISION OF INSURANCE
1511 Pontiac Avenue, Building 69-2
Cranston, R.I. 02920**

IN THE MATTER OF:

**UNITED SERVICES AUTOMOBILE ASSOCIATION,
USAA CASUALTY INSURANCE COMPANY,
USAA GENERAL INDEMNITY CO.,
AND
GARRISON PROPERTY AND CASUALTY
INSURANCE COMPANY,
RESPONDENTS.**

DBR No. 2019-IN-016

CONSENT AGREEMENT

It is hereby agreed between the Department of Business Regulation (“Department”) and United Services Automobile Association, USAA Casualty Insurance Company, USAA General Indemnity Company, and Garrison Property and Casualty Insurance 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. R.I. Gen. Laws § 27-9.1-4 and 230-RICR-20-40-2 are applicable to all claims arising out of automobile insurance policies issued in Rhode Island.
3. 230-RICR-20-40-2.8(E)(7) requires that an insurer provide: (i) reasonable notice to both the claimant and the automobile storage facility prior to the termination of payment for automobile storage and (ii) reasonable time for the claimant to remove the vehicle from storage prior to the termination of payment.

4. In July 2018, the Department and Respondents entered into a Consent Agreement DBR No. 18-IN-005 (the “Prior Agreement”) in which Respondents indicated they had taken the appropriate steps to ensure its future compliance with the provisions of 230-RICR-20-40-2.8(E)(7).

5. In May 2019, the Department received a complaint asserting that the required storage termination letter was not received by the automobile storage facility prior to Respondents’ termination of payment for automobile storage.

6. The Department requested further information from Respondents, including a list of all Rhode Island claims that were not issued storage termination letters in compliance with 230-RICR-20-40-2.8(E)(7) dating back from May 23, 2018 through August 30, 2019.

7. Respondents conducted a prompt and thorough investigation of 2,692 applicable claim files; of these claim files, 103 claims required a termination of storage letter. That review identified additional problems.

a. In 55 of these 103 claims the stop storage letter was sent to the claimant only.

b. In 86 of these 103 claims the stop storage letter was not sent to the claimant’s automobile storage facility within a reasonable timeframe.

8. Since this issue was identified and corrective measures were taken, Respondents began auditing their actions on a weekly, and then daily, basis to ensure appropriate compliance.

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

1. Respondents acknowledge that their corrective actions from the Prior Agreement were insufficient to ensure compliance with the Rhode Island regulation.

2. Respondents acknowledge that in the above referenced 55 and 86 occasions, Respondents did not appropriately distribute the termination of storage letter.

3. Respondents have established a new workflow including a dedicated team and have taken steps to ensure their future compliance with 230-RICR-20-40-2.8(E)(7).

4. Respondents have payed appropriate storage costs in instances where termination of storage letters was not sent pursuant to the requirements of 230-RICR-20-40-2.8(E)(7).

5. Respondents will collectively pay a total administrative penalty of twelve thousand dollars (\$12,000) within thirty (30) days.

6. Waiver of Hearing and Appeal. By agreeing to resolve this matter through the execution of this Consent Agreement, Respondents knowingly and voluntarily waive any rights to an administrative hearing and waive any rights to pursue an appeal to the Superior Court under the Rhode Island Administrative Procedures Act, R.I. Gen. Laws § 42-35-1 *et seq.*

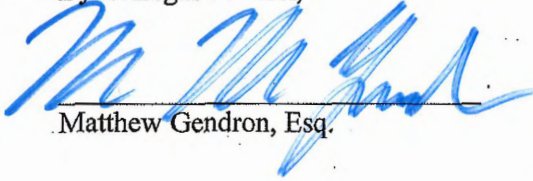
7. Enforcement. If Respondents fail to comply with any term or condition of this Consent Agreement within any applicable time period set forth herein, Respondents will be in violation hereunder and the Department shall be entitled to immediately take enforcement or other actions in accordance with applicable law.

8. Compliance; Other Laws. Compliance with the terms of this Consent Agreement does not relieve Respondents of any obligation to comply with other applicable laws or regulations administered by or through the Department or any other governmental agency.

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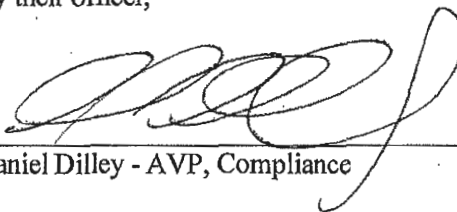
Counsel for the Department and Respondents hereby consent and agree to the foregoing on behalf of their respective clients this 19th Day of February 2020.

Department of Business Regulation
By its Legal Counsel,



Matthew Gendron, Esq.

Respondents,
United Services Automobile Association,
USAA Casualty Insurance Company,
USAA General Indemnity Company, and
Garrison Property and Casualty Insurance Company
By their officer,



Daniel Dilley - AVP, Compliance