

STATE OF NEW JERSEY  
DEPARTMENT OF BANKING AND INSURANCE

IN THE MATTER OF:

Proceedings by the Commissioner of Banking	)	
and Insurance, State of New Jersey, to fine	)	CONSENT
Government Employees Insurance Company	)	ORDER

To: Government Employees Insurance Company  
One GEICO Plaza, 5-T  
Washington, D.C. 20076

This matter, having been opened by the Commissioner of Banking and Insurance (“Commissioner”), State of New Jersey, upon information that Government Employees Insurance Company (“GEICO”), may have violated various provisions of the insurance laws of the State of New Jersey; and

WHEREAS, GEICO is a foreign insurance company admitted to transact the business of insurance since August 11, 2004 pursuant to N.J.S.A. 17B:23-1 to -11; and

WHEREAS, pursuant to N.J.S.A. 17:17-10(b), no company licensed to transact insurance business in this State pursuant to chapter 17 of Title 17 of the Revised Statutes may surrender its certificate of authority or discontinue writing or renewing any kind of kinds of insurance specified in the certificate, except in accordance with an informational filing submitted to the Commissioner, which filing shall be subject to the following provisions regarding any withdrawals:

- (1) The company shall send a notice to policyholders of the proposed withdrawal no later than thirty days following the submission of the informational filing to the Commissioner, which shall state that the insurer intends to withdraw and has filed its intention to withdraw with the Commissioner, the terms of the withdrawal, including

the date of the proposed commencement of non-renewal of policies, and the proposed duration of the non-renewal of the company's book of business;

- (2) Non-renewals shall not commence prior to one calendar year and ninety days following the submission of the information filing;
- (3) The company shall send a notice of non-renewal to every policyholder (a) no later than one calendar year preceding the date of non-renewal and (b) a subsequent notice of non-renewal in accordance with any time limit otherwise established by law for that line of insurance;
- (4) Non-renewals shall take place in a manner so as to be applicable to all insureds on an equitable basis with respect to risk classification and territorial or other form of rating factor, and shall be effectuated at a uniform rate over a period not exceeding three calendar years, commencing with the date established in paragraph (2) of this subsection; provided, however, that if more than one company files for withdrawal for the same line of business and the companies, the aggregate, write more than 25% of the market share for that line of business, the Commissioner may extend the period of withdrawal provided for herein to five years; and

WHEREAS, pursuant to N.J.A.C. 11:2-29.6(a), a senior official of the company shall notify the Assistant Commissioner of the Office of Property and Casualty of the Department, in writing, in advance of the date certain that the first non-renewal notices will be mailed and specify therein the effective dates of the first policies to be non-renewed; and

WHEREAS, it appearing to the Commissioner, that GEICO discontinued its commercial automobile program in New Jersey; and

WHEREAS, GEICO issued a total of 2,988 non-renewal notices to commercial vehicle policy holders, with the first non-renewal occurring on or about March 8, 2022; and

WHEREAS, GEICO did not contact the Department's Assistant Commissioner, of Property and Casualty nor file a withdrawal plan prior to sending out the non-renewal notices; and

WHEREAS, GEICO and the New Jersey Department of Banking and Insurance (the "Department") desire to enter into this compromise settlement without resort to a formal hearing, and consents to the payment of a fine; and

WHEREAS, GEICO has cooperated with the investigation conducted by the Department and has asserted that violations cited in this Consent Order were not willful;

NOW, THEREFORE, IT IS on this 3 day of October, 2023

ORDERED AND AGREED, that GEICO will pay a penalty of five hundred twenty-two thousand nine hundred dollars (\$522,900.00), upon its execution of this Consent Order. The payment shall be made through a certified check, attorney trust account check, money order or electronic funds transfer made payable to the "State of New Jersey -- General Treasury;" and

IT IS FURTHER ORDERED AND AGREED, that the signed Consent Order together with the payment of \$522,900.00 shall be remitted to:

New Jersey Department of Banking and Insurance  
Attention: Virgil Downtin, Chief of Investigations  
9<sup>th</sup> Floor, Consumer Protection Services, Enforcement  
Unit  
P. O. Box 329  
Trenton, New Jersey 08625-0329

and

IT IS FURTHER ORDERED AND AGREED, that the provisions of this Consent Order represent a final agency decision and constitute a final resolution of the violations contained herein.

*Justin Zimmerman*

---

Justin Zimmerman  
Acting Commissioner

Consented to as to Form, Content and Entry:

*Seth Ingall*

---

Seth Ingall, Chief Legal Officer, GEICO

*9/27/23*

---

Date