BEFORE ALLAN L. MCVEY, INSURANCE COMMISSIONER
OF THE STATE OF WEST VIRGINIA

In the Matter of:

UNITED STATES FIRE INSURANCE COMPANY (NAIC Code 21113)

Administrative Proceeding No. 24-IC-175988

AGREED ORDER ADOPTING REPORT OF MARKET CONDUCT EXAMINATION, DIRECTING CORRECTIVE ACTION AND ASSESSING PENALTY

NOW COMES, Allan L. McVey, Insurance Commissioner of the State of West Virginia (hereinafter, "Commissioner"), and United States Fire Insurance Company (hereinafter, "USF") who, after consideration of the *Report of Market Conduct Examination* (hereinafter, the "*Examination Report*"), have agreed to the entry of this Order.

FINDINGS OF FACT

1. This targeted market conduct examination was instituted as a result of the Final Order entered in Administrative Proceeding 24-IC-175988, wherein the Commissioner adopted the Hearing Examiner's findings of fact and conclusions of law related to a consumer complaint and referred the matter to the Legal and Market Conduct Divisions of the West Virginia Offices of the Insurance Commissioner for further investigation of USF conduct in West Virginia.

2. The Commissioner referred the matter to determine USF's compliance with: producer licensing and appointments; compliance with Article 62, Chapter 33 of the West Virginia Code; and whether USF's violations of W. Va. Code St. R. §§ 114-14.4.1, 114-14-4.2, 114-14-6.5, 114-14-4.5, and 114-14-6.7, as found by the Hearing Examiner, constitute a general business practice. The examination was conducted in accordance with W.Va. Code §33-2-9(c) by examiners duly

appointed by the Commissioner and covered the period of October 1, 2022, through September 30, 2025.

3. On or about April 30, 2026, the examiner filed with the Commissioner, pursuant to W. Va. Code § 33-2-9, the *Examination Report*.

4. A true copy of the *Examination Report* was provided to USF and USF was notified, pursuant to W.Va. Code §33-2-9(j)(2), that it had ten (10) days after receipt of the *Examination Report* to file a submission or rebuttals with the Commissioner. USF timely filed a submission/rebuttal.

5. As set forth in the *Examination Report*, the examination focused on the methods used by USF to manage its operations for each of the areas examined, including whether and how USF complies with West Virginia statutes and rules pertaining to the handling of claims related to its travel insurance line of business.

6. A total of twenty (20) standards were reviewed during the examination. The *Examination Report* indicates that the USF was compliant with twelve (12) standards, predominantly compliant with three (3) standards, and noncompliant with five (5) standards.

7. The Commissioner reviewed the *Examination Report* and considered USF's submissions/rebuttals. USF agrees to the entry of this Order and waives notice of administrative hearing, any and all rights to an administrative hearing, and to judicial review of this matter.

CONCLUSIONS OF LAW

1. The Commissioner has jurisdiction over the subject matter and the parties to this proceeding.

2. This proceeding is conducted pursuant to and in accordance with W. Va. Code §§ 33-2-9 and 33-3-11.

3. The Commissioner is charged with the responsibility of verifying USF's continued compliance with West Virginia law.

4. USF was found to have violations of West Virginia law as detailed in the attached *Examination Report*.

5. As detailed in the *Examination Report*, USF failed to comply with provisions of West Virginia law. A summary of violations is set forth below.

- Standard A2: The Commissioner sent thirty-two (32) Requests For Information ("RFIs") related to the examination. For eight (8) RFIs, the company either failed to respond or provided a response after the deadline for response had passed.

- Standard D2: The Commissioner reviewed licensing status for seventeen (17) entities that were operating as Limited Lines Travel Insurance Producers ("LLTIPs") in West Virginia during the examination period. Of these LLTIPs, four (4) did not hold the required Travel Insurance Business Entity License ("TIBEL") before during or after the review period; three (3) obtained the proper license and appointment after January 1, 2024; and two (2) were appointed with USF after the examination period. USF notes that "there was always a licensed entity and individual involved in the sale, negotiation or solicitation of travel insurance on our behalf," but agrees that some entities did not hold a travel insurance business entity license when required.

- Standard G5: The Commissioner reviewed fifty (50) claims as part of the examination. Eight (8) of the claim files reviewed did not contain sufficient information for a complete review of the claim.

- Standard G7: Of the fifty (50) claims reviewed, twenty-five (25) claims had some part of the claim paid. Two (2) of the paid claims were incorrectly paid, resulting in underpayment to the claimant.

- Standard G8: Of Nineteen (19) of the claims reviewed, four (4) of these denied claims failed to inform the claimant of their option to contact the West Virginia Offices of the Insurance Commissioner as required for all claim denial notices.

6. The Commissioner has determined that USF should be assessed a monetary penalty for violating the standards as set forth in the *Examination Report*.

ORDER

Pursuant to W.Va. Code §§ 33-2-9(j)(3)(A), following the review of the *Examination Report*, the examination work papers, and USF's response thereto, the Commissioner and USF agreed to enter into the Agreed Order adopting the *Examination Report* and the imposition of an administrative penalty as set forth below. It is accordingly **AGREED** and **ORDERED** as follows:

1. The referenced and attached *Examination Report* is hereby **ADOPTED** and **APPROVED** by the Commissioner and, by this reference, incorporated herein and made a part hereof.

2. USF shall comply with the recommendations contained in the *Examination Report.*

3. USF shall continue to monitor its compliance with applicable West Virginia law.

4. USF shall specifically cure the violations and deficiencies identified in the *Examination Report* so as to bring itself into compliance and conformity with West Virginia law, as set forth hereinabove, to the extent such has not already been completed and/or accomplished.

5. USF will file a Corrective Action Plan (CAP), subject to the approval of the Commissioner, which said CAP shall detail USF's changes to its procedures and/or internal policies to ensure compliance with West Virginia law and shall further incorporate all recommendations of the Commissioner's examiners and address all violations specifically cited in the *Examination Report*.

6. The CAP shall be submitted to the Commissioner for his approval within 30 days of the date this order is entered.

7. USF agrees that the two claims identified in Standard G7 as incorrectly paid will be investigated and remedied as a term of its CAP.

8. USF shall make reasonable changes to the CAP if and as directed by the Commissioner within 30 days of its receipt of the Commissioner's changes to, or disapproval of, the CAP.

9. USF shall, within 90 days of its receipt of notice from the Commissioner of his final approval thereof, implement the CAP.

10. Pursuant to W.Va. Code § 33-2-9(j)(4) within 30 days of the date of this Order is entered, USF shall file affidavits executed by each of its directors stating under oath that they have received a copy of the adopted *Examination Report* and this Order.

11. USF shall pay an administrative penalty in the amount of Twenty-Seven Thousand Dollars ($27,000.00) for its non-compliance with West Virginia law as set forth hereinabove, the assessment of which penalty is in lieu of any other regulatory penalty and shall be remitted within 30 calendar days of the date this order is entered by the Commissioner.

12. It is AGREED and ORDERED that all such statutory notices, administrative hearings and appellate rights are herein waived by USF concerning this Report of Market Conduct Examination and Agreed Order.

Entered this 5th day of June, 2026.

Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner

REVIEWED AND AGREED TO BY:

On behalf of the Insurance Commissioner:

Andrew S. Ryan, Attorney
Regulatory Compliance and Enforcement

On behalf of UNITED STATES FIRE INSURANCE COMPANY:

By: Caren Alvarado
Print Name

Title: VP Regulatory Affairs

Signature: Caren Alvarado

Date: 6/5/26