



News for Immediate Release

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PA Insurance Department: 2012 Record Year for Fines and Restitution

Harrisburg –The Pennsylvania Insurance Department collected a record of nearly \$18 million in fines and \$13.4 million in restitution in 2012.

The collections were from enforcement and market conduct actions, as well as 10 multi-state examinations where Pennsylvania was a lead state along with other state insurance departments.

“Governor Tom Corbett is committed to ensuring Pennsylvania is a place where companies want to do business and bring jobs. That commitment comes with a promise to see that consumers are served on a fair and level playing field,” Insurance Commissioner Mike Consedine said. “When department licensees violate our laws, we will take action and hold them accountable.”

Highlights from 2012 enforcement and market conduct actions include:

- American International Group, Inc. (AIG) – A multi-state examination of AIG and its workers’ compensation affiliates resulted in the largest-ever single amount in fines and assessments in the department’s history. The penalty, \$16.8 million, included \$8.6 million in fines, \$3.6 million to the Workers’ Compensation Security Fund and \$4.6 million in premium taxes.
- Life Insurance Industry – Five of the multi-state examinations focused on life insurance companies and their claims business practices. As a result, these companies have agreed to adopt additional pro-consumer claims practices that include using the Social Security Administration’s Death Master File on a uniform basis when processing and paying life insurance claims.
- Consumer Protection – The department’s Office of Market Regulation concluded the year with responding to more than 13,000 written consumer complaints and revoking or suspending the insurance licenses of nearly 70 individual licensees.

To review the multi-state settlement agreements, and to view the comprehensive list of enforcement and market conduct actions taken by the department, go to www.insurance.pa.gov and choose the “consumer protection” tab.

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