



## NEWS RELEASE

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### **Pioneer General Fined \$533,000 by Colorado Division of Insurance**

Following an examination by the Division of Insurance, Pioneer General Insurance Company has been assessed a civil fine of \$533,000 for violations of insurance law related to Colorado bail bond business.

Pioneer General Insurance Company is licensed to provide a range of surety bonds in Colorado, but the recent market conduct examination focused solely on its bail bond business. Based upon figures reported to the Colorado Division of Insurance (the "Division"), Pioneer General had \$4,209,861 in total taxable bail premium during 2008.

Some issues addressed in the examination report include:

- Failure to handle funds in a fiduciary capacity.
- Failure to register with the Commissioner the use of any assumed, trade, or fictitious name prior to using the name.
- Failure to require bail bond agents to complete required documentation.
- Failure to include all required information on documentation related to the issuance of bail bonds.
- Failure to properly document deviations from filed rates.
- Failure to require that a timely list of collateral be provided by the agents to Pioneer General.

Colorado-based Pioneer General Insurance Company is a subsidiary of HCC Insurance Holdings, Inc. HCC is a publicly traded insurance holding company focused on specialty property and casualty business, including surety bond coverage.

Pioneer General has disputed the findings of the market conduct examination report and Final Agency Order (FAO) in Denver District Court.

The Final Agency Order and examination report on this matter can be viewed on the web at:

<http://www.dora.state.co.us/insurance/mcexam/MarketRegChron.htm>

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