



Photo courtesy TxDOT

Texas Tinder Dry Statewide Drought Disaster Declared

TEXAS IS EXPERIENCING ITS WORST DROUGHT conditions in recent memory leaving the state vulnerable to wildland fires and property losses. Since December 26, 2005 there have been more than 3,400 separate wildfires reported in Texas. Those fires have consumed more than half a million acres of grass land and destroyed 345 homes.

During this same time period, dedicated fire fighters from all over the country have saved nearly 2,000 homes that were threatened by the flames. Equipment and personnel from 41 states have joined the fight in Texas. The state has 37 aircraft, 80 bulldozers, 24 fire engines, and more than 700 state personnel in direct support of wildfire operations. Texas aircraft have flown more than 3,500 missions and dropped 3 million gallons of fire retardant to help control the fires.

Texas Farmers Feel the Heat

Texas ranchers and other agriculture producers are also facing the prospect of mounting crop and cattle losses. Governor Rick Perry declared a statewide disaster due to the severe drought conditions, and requested that the U.S. Department of Agriculture (USDA) Farm Service Agency provide disaster relief assistance for Texas farms and ranches that have suffered economic and physical losses as a result of the drought and wildfires.

Officials Issue Burn Bans

At last count 220 of the state's 254 counties had outdoor burn bans in effect and county officials have issued 74 local disaster declarations. State Fire Marshal Paul Maldonado urged all Texas residents to obey those local burn ban orders and be vigilant in doing what they can to prevent fires. "It is paramount that we all do what is necessary to prevent wildfires right now" said Maldonado. "Any outdoor activity that can produce a spark or flame could potentially lead to a wildfire that will be difficult to control, threatening life and property."

Report Suspected Arson

The Governor's Office has directed state authorities to investigate and aggressively pursue anyone who has intentionally started wildfires at the risk of destroying property and lives. The State Fire Marshal's Office has set-up a 24-hour toll-free hotline to report suspected arson fires and local burn ban violations. The hotline number is 1-877-434-7345. Recent tips to law enforcement have resulted in several investigations and arrests.

Consumer Assistance

TDI is offering assistance to Texas residents who need information or help with wildfire related insurance claims through the Department's Consumer Help Line at 1-800-252-3439 and through a new Texas Wildfire Resource Page that has been added to the TDI website at www.tdi.state.tx.us/consumer/wildfires.html.

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Regulating Insurance in Texas

by Texas Insurance Commissioner Mike Geeslin

THERE IS AN ABUNDANCE OF ANALYSIS AND DOCUMENTATION on homeowners' insurance in Texas. The problem for me, as a consumer, is that these reports tell me what happened in the past. There's very little that tells me what will happen next year, or even next month.

Here's the irony: In predicting the future, look back two years. In the years 2003 and 2004, Texas suffered a year of bad weather followed by one year of good weather. Look back ten years and you draw this conclusion: Good weather years are offset by bad weather years. For the future, the past has taught us to think long term. If we regulate based on a single year's results – with no regard to what the future holds – then we'll set ourselves up for economic failure.

Quick Facts about Texas Home Owners Insurance:

- During the past 15 years, the average loss per homeowners insurance policy in Texas is \$693 (adjusted for the mold crisis).
- When additional expenses are added, the average cost to insurance company for each policy issued is \$1,164.
- The national average premium for 2004, as reported by the National Association of Insurance Commissioners, was \$677.
- During the past five years, Texas homeowners filed double the number of claims on their insured property than the rest of the country.

Gulf States will impact insurance rates for 2006, many of the 2005 rate decreases are still in effect today.

So why does homeowners insurance cost more in our state? In Texas, we have several weather-related perils that prompt some of the higher rates in the nation, driving premiums up. Looking at the last 15 years of data, the average loss per policy in Texas was \$693. To put this into perspective, this amount is very close to the average national premium of \$677, which covers not only losses but expenses as well. We can chase after a national premium average, but our claims history alone will not let us catch it. To state what is not popular, if for no other reason to manage expectations: Texas has, is and will always be one of the costliest states for homeowners insurance.

While it is too early to tell what kind of impact the recent hurricanes will have on rates, TDI will take a hard look at any future rate changes to ensure that rates are justified. One of the most effective regulatory tools to ensure value is to collect rate information on a regular basis. If a company cannot justify its rates, and the market does not seem to be working to force its rates down, then we take action. Sometimes, this "action" is a frank discussion with the company executives to help them understand just how important it is to be as competitive as possible (they often agree that competition is good).

While losses and rates were lower in 2004 than they were in previous years, the level of price competition seemed to be lacking. The new regulatory law had only been in effect since December 2004 when the Texas Department of Insurance requested rate filings from the top carriers in May of 2005. Subsequent to those rate filings, many companies voluntarily realized that to compete with lower rates was better than the alternative of government intervention. While it remains to be seen how the 2005 storms in the

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TDInSight is published bimonthly. For a one-year subscription (6 issues), contact TDI's Publications Division at:

Texas Department of Insurance
TDInSight /MC-9999
P.O.Box 149104
Austin, TX 78714-9104

Enclose a check for \$20 made out to the Texas Department of Insurance.

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The staff that prepares this newsletter has no role in proposing, drafting, editing, or approving TDI rules or policies or interpreting statutes. **TDInSight** should not be construed to represent the policy, endorsement or opinion of the Commissioner of Insurance or the Texas Department of Insurance.

By necessity, summaries of proposed and adopted rules cannot explain their full complexity. Readers interested in complete information about administrative rules should consult the versions published in the Texas Register.

To the best of the staff's ability, information presented in this newsletter is correct as of the publication date, but scheduled dates and proposed rules and amendments may change as the adoption process goes forward.

Unfortunately, there are times when a frank discussion does not work and legal action is necessary. We have more than 1,000 enforcement actions pending at any time, many of them involving large insurance companies and several millions of dollars. What is unfortunate is that these actions can take years in the legal system. Texans should expect a regulatory system with a balanced, long-term vision doing whatever it takes to make certain rates are reasonable and justified.

TDI Takes \$4 Million Enforcement Action against UHC

ON DECEMBER 19, 2005 United Healthcare Insurance of Hartford, Connecticut and United HealthCare of Texas (collectively, UHC) entered into a Consent Order with the Texas Department of Insurance (TDI), agreeing to pay a \$4 million penalty within 30 days for alleged violations of Texas prompt pay statutes.

TDI alleged that UHC failed to pay clean claims submitted by various pharmacies in a timely manner. TDI also alleged that UHC failed to properly report its claims payment information to the Department and that UHC's complaint logs did not comply with Texas law and rules regarding accuracy. Reviews of the UHC's complaint logs found that the function, reason, disposition and date of disposition fields were not always completed.

In addition, UHC agreed to an independent audit of its payment of clean claims and statutory penalties and agreed to pay any restitution due for failure to properly pay statutory penalties on any late clean claim payments.

The consent order with UHC also includes additional contingent penalties for any future similar violations in the future. According to the order, UHC agrees to pay \$3 million each quarter for 6 quarters if the company fails to properly pay clean claims and/or penalties on clean claims.

UHC Acquires Pacificare

Effective December 19, 2005, the Texas Department of Insurance approved the acquisitions of Pacificare of Texas, Inc. and Pacificare Life Assurance Company by



DWC Commissioner Betts Urges Carriers, Providers to Cooperate

DIVISION OF WORKERS' COMPENSATION Commissioner Albert Betts issued Commissioner's Bulletin No. B-0072-05 in December to urge workers' compensation insurance carriers and health care providers to cooperate in complying with the DWC emergency preauthorization rule.

House Bill 7 amended the Texas Labor Code by adding physical therapy and occupational therapy to the list of services requiring preauthorization by insurance carriers. By previous Bulletin (No. B-0039-05), TDI Commissioner Mike Geeslin notified system participants that this provision would be effective upon adoption of rules. In November, Commissioner Betts signed an emergency rule providing that physical and occupational therapy services provided on or after December 1, 2005, require preauthorization.

DWC received complaints regarding the preauthorization process; some health care providers expressed concern that the emergency preauthorization rule would result in delays in

the treatment of injured workers.

In Bulletin No. B-002-05, Commissioner Betts encouraged carriers and providers to work in a collaborative effort to coordinate preauthorization for existing patients to avoid treatment delays. Commissioner Betts also urged carriers to expedite preauthorization requests by all available means, including streamlining information requested from providers. Finally, Commissioner Betts encouraged providers to anticipate the need for preauthorization and to submit complete paperwork to carriers as soon as possible.

As currently proposed, the permanent preauthorization rule would allow for more initial physical therapy/occupational therapy treatments by a provider prior to receiving preauthorization. The proposed permanent rule will be published for public comment in February, 2006.



Proposed Rules On Prohibited Trade Practices (28 TAC §21.1004)

THE TEXAS DEPARTMENT OF INSURANCE has proposed new rules concerning the use of certain residential property insurance claims in rating programs, including surcharge and claims-free programs. The new section is necessary to implement amendments enacted under Senate Bill 14 (SB 14), by the 79th Legislature.

SB 14 amended various provisions of Chapter 5 of the Insurance Code, including Articles 5.144, 5.171, 5.43, and §551.107. The SB 14 amendments, in part, harmonize Article 5.43 and §551.107 by amending Article 5.43 to include the identical language in §551.107 to identify claims that cannot be used as residential property insurance claims in rating programs whether the claims are considered for a surcharge, discount, or claims-free program.

The proposed new rules do not prohibit or limit insurers of residential property insurance from considering these claims in the development of base rates. Additionally, as insurers continue to transition from the benchmark rate system to the more flexible file and use system, the proposed §21.1004 establishes a procedure to promote rate stability and avoid rate shock by requiring insurers to file a transition plan when a new rating program is introduced or an existing rating program is changed.

The public benefits anticipated as a result of the proposed section will be a uniform and efficient utilization of claims in residential property

insurance rating programs. Additionally, the proposed section will establish guidelines for a transition plan that will promote rate stability and avoid rate shock to homeowners.

There should be no measurable economic cost to those required to comply with the proposed section. Insurers are already required to submit this rate information in accordance with Insurance Code Article 5.13-2. The cost of complying with §21.1004 should not result in additional expenses to insurers because they already develop, consider, and file their own rating information with the Department and, under the proposal, should only need to submit an explanation of their plan for moderating increases.

The purpose of the proposed rules is to protect homeowners in Texas from drastic increases in residential property insurance rates and premiums due to the introduction of, or changes to, a claims-free program or claim surcharge program and to promote rate stability for the residential property insurance market in Texas. This section also identifies certain claims that may not be used as residential property insurance claims under Insurance Code Article 5.43 and §551.107.

This section applies to the rates applicable to residential insurance policies that are delivered, issued for delivery, or renewed on or after January 1, 2006.

Large Fine Results from Improper Title Fee Arrangements

A RECENT CONSENT ORDER issued by the Texas Department of Insurance against American Title Company of Houston, a licensed title insurance agency, resulted in an administrative penalty of \$300,000.

The violations resulted from arrangements between American Title Company of Houston and various fee attorneys, in which the fee attorney offices were not properly managed by the attorneys. The escrow officers working in the fee attorney offices were licensed based on their assertions that they were bona fide employees of an attorney. TDI auditors, however, found that several of the escrow officers had misrepresent-

ed their employment status on their escrow officer license applications, and therefore obtained their licenses improperly.

TDI auditors routinely verify that escrow officers are bona fide employees, based on the requirements of the title act and the title rules outlined in Title Bulletin 162. Escrow officer license applications require title agencies to confirm the applicant's employment status before the agencies sign and submit the applications. Title insurance is subject to strict regulation in Texas. Title agents and escrow officers must be licensed and are subject to stringent reporting requirements.

TDI Inspections Division Busy in Beaumont

Welch V. Watt, III. *Inspections Division*

THE FALL AND WINTER MONTHS historically spell a slow-down for the construction industry. Normally due to unfavorable temperatures combined with wet weather patterns, it is generally hard to get a job started, much less stay on a reasonable schedule. As construction decreases so does the need for windstorm inspections.

However, this Fall and Winter have proven to be the exception. Due to the damage caused by Hurricane Rita, which made landfall on September 24, 2005, Jefferson County has seen a very dramatic increase in construction and also in the request for windstorm inspections.

Since Rita, the Beaumont Windstorm Field Office has logged 8,868 inspections (For the same period of time a year ago, this same office had only done 336 inspections. This is an average of more than 74 inspections per day since the TDI staff was able to re-enter the area and start assessing construction.

Inspections Division calls in reinforcements

Rita is the first major hurricane to hit a populated area along the Texas coast since the TDI Windstorm Inspection program began, leaving inspectors faced with a variety of situations and obstacles that were never even contemplated. Because of the increased workload, two teams of four additional inspectors from other field offices have been rotating into the Beaumont

office to assist with inspection requests, for a total of seven TDI Windstorm Inspectors available to perform inspections at any given time. These inspectors are working seven days a week and have been putting in fourteen hour days in order to try and keep up with the demand for inspections.

TDI inspectors will soon be getting additional inspection help from a group of independent contractors hired by the Texas Windstorm Insurance Association (TWIA). These individuals are new to the "Windstorm Inspection" concept, but their training, which is being furnished by TDI staff, is going very well. It is expected that this group will be able to greatly assist TDI staff and reduce the need for our inspectors to work such long hours every day.

In for the long haul

It is projected that construction from Rita could continue through November of this year. TDI staff report that roofers and contractors are making plans to be in the Jefferson county area for at least another year. As long as the construction continues, the additional TDI staff will remain on the scene to help ensure that new construction and repairs meet wind resistance standards.

Record Attendance for 8th Annual Fraud Conference

TDI's Fraud Division held its 8th Annual Fraud Conference, January 25-27, 2006, at the J.J. Pickle Research Campus in Austin. Over 200 attendees were present, including insurance adjusters, state agency investigators, attorneys, state and municipal law enforcement, and representatives from insurance company Special Investigative Units. Exhibitors were invited to the conference for the first time and provided additional sources of information for attendees.

Highlights of the conference included tips on developing an insurance fraud case for prosecution by TDI's Kyson Johnson; a presentation on workers' compensation fraud investigations and health care provider fraud by representa-

tives of Texas Mutual, the largest writer of workers' comp insurance in the state; information about identity theft and money laundering; and several presentations on the problem of auto theft, including a description of an innovative "bait car" program in Dallas known as "Rattler."

TDI's Fraud Unit Director Dennis Pompa covered new developments in fraud reporting requirements mandated by recent legislation in House Bill 2388. In addition, attendees received updates on statewide efforts by the Texas Committee on Insurance Fraud and the Coalition Against Insurance Fraud.





Health Coverage Awareness and Education Program

ECONOMIC DEVELOPMENT IN TEXAS has continued to improve in the last few years. City, county and state business development entities are working together to attract new companies to Texas.

Following the announcement that Toyota planned to open a production facility in San Antonio, automotive suppliers began setting up shop in the Alamo city. This expansion brought approximately \$100 million to the Texas economy with direct investments in buildings, jobs and equipment. As other suppliers considered relocating, the high cost of employee health coverage has become an important factor in their decision.

Texas Size Challenge

The number of Texans without health care coverage is one of the most daunting problems facing our state. On a national level, the cost of employee health coverage to businesses continues to trend upward each year, although the Kaiser Family Foundation reported in 2005 that the rate of growth of health insurance premiums declined for the second straight year, slowing to 9.2%. Although growth in health insurance premiums has moderated, it continues to outpace inflation and average wage growth by wide margins. Over the last five years (since 2000), health insurance premiums have grown by 73%, compared with cumulative inflation of around 14% and cumulative wage growth of 15%.

The Kaiser study also found that the percentage of all firms offering health benefits to their employees has fallen significantly from 69% to 60% over the last 5 years. The facts that most of the uninsured in Texas are employed (66% of adults), and that cost is the most prevalent reason why employers don't purchase health coverage, stress the importance of providing opportunities for employers to save money on health care coverage. This strategy is particularly important for smaller businesses—one-third of uninsured workers are at firms with fewer than 10 employees.

Another trend the Texas Department of Insurance (TDI) has observed at small business meetings is that employers with five or fewer eligible employees are having difficulty not just affording health coverage, but simply finding an agent who will present them health coverage options. This is a concern that needs

to be addressed on several fronts, but in the interim the ability of employers, particularly small employers, to link together to buy coverage, gives these employer groups sufficient size to make them marketable and enhance availability of health coverage.

Developing Options

The Governor's Office and the Texas Legislature continue to develop options to address the problem of rising health care costs and corresponding increases in health coverage premiums. The 78th Legislature enacted three bills that have demonstrated ability to provide cost savings – Senate Bill 541, which authorized consumer choice health benefit plans; Senate Bill 10, which created health group cooperatives; and House Bill 897, which created small employer health coalitions.

TDI has begun an aggressive health care coverage educational initiative in conjunction with the Governor's Economic Development and Tourism division and Ron Lehman, the Commissioner Representing Employers at the Texas Workforce Commission.

Companies can access helpful information directly from the TDI website by clicking on the Business link from the Home page. There they can find a step-by-step guide to the health coverage cooperative formation process. TDI will have at least two articles in TWC's "Texas Business Today," a quarterly publication that is free to Texas employers. More detailed information will be included in the TWC Important Employment Law Information CD for employers. TDI will address local Workforce Boards during the Workforce Forums held in Austin throughout the year. In addition, TDI will continue to participate in TWC's Texas Business Conferences. TDI will also be working to disseminate the new health care coverage options to Chambers of Commerce throughout Texas.

TDI recently developed the Texas Health Options website (www.texashealthoptions.com) as the first phase of the Health Coverage Awareness and Education Program created by SB 261. The information on the Texas Health Options site is presented so that the public may focus on coverage options relative to their particular situation, such as a business owner.

Unlicensed Health Care Provider Sentenced in Fraud Scheme

The Texas Department of Insurance, working in conjunction with the Collin County District Attorney's Office, secured a criminal conviction against Don A. Bauer of Plano for insurance fraud. Bauer was sentenced to seven years probation, fined \$14,000 and ordered to make restitution of \$55,113 to four insurance companies.

Bauer, who claimed to be a Doctor of Chiropractic Care (D.C.) billed insurance companies for radiology services. Records show

over 1,300 fraudulent claims submitted under a false license to 31 separate insurance companies.

The case was investigated by TDI's Fraud Unit with assistance from the Collin County DA's office and the data analysis section of the Regional Organized Crime Information Center (ROCIC).



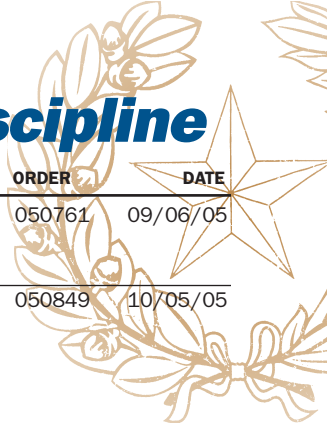
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NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
3 Mark Financial Texas, Inc.	Sugarland	Failed to submit required annual report of viatical or life settlement transactions	\$2,000 fine	050755	09/01/05
Action Staffing, Inc. d/b/a; Apeo Employment Systems	Abilene	Acted as an agent for unauthorized entities	\$60,000 fine; Restitution	050831	09/29/05
Aleman, Carlos Gilbert	San Antonio	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 30 hours of continuing education	050887	10/17/05
Allstate Texas Lloyd's	Northbrook, IL	Imposed surcharges in excess of 10% in violation of Texas Insurance Code ANN. sec. 551.107 (formerly art. 21.49-2B sec. 7)	\$75,000 fine; Restitution in the amount of \$1,028,070	050817	09/23/05
American Title Company Houston	Houston	Allegedly violated a provision of the Code when its agent fee attorney closed transactions using persons who were not the fee attorney's bona fide employees	\$300,000 fine	051010	11/29/05
Arreola, Tomas	El Paso	Failed to comply with continuing education requirements	General Life, Accident, and Health License revoked	050878	10/12/05
Barney, Phillip Edward	New Braunfels	Failed to comply with continuing education requirements	\$1,500 fine; One year suspension of General Life, Accident and Health License; Must complete 30 hours of continuing education	050965	11/8/05
Barrios, John	Magnolia	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 30 hours of continuing education	050790	09/20/05
Bray, Lisa Leann	Forney	Failed to comply with continuing education requirements	\$700 fine; Must complete 30 hours of continuing education	050845	10/04/05



InDiscipline

NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
Brewer, William G.	Rochester	Felony offense; Engaged in conduct involving moral turpitude	General Life, Accident, and Health License denied	050793	09/20/05
Central Mutual Insurance Company	Van Wert, OH	Allegedly charged unfairly discriminatory rates	Restitution to policyholders	050801	09/21/05
Cantu, Edward Lee	Houston	Failed to comply with continuing education requirements	\$1,500 fine; One year suspension of General Life, Accident and Health License; Must complete 30 hours of continuing education	050929	10/28/05
CEU.COM	Old Saybrook, CT	Provided courses to students after the course certifications had expired; Allowed students to print certificates of completion	\$4,400 fine	050802	09/21/05
CMI LLOYDS	Van Wert, OH	Allegedly charged unfairly discriminatory rates	Restitution to policyholders	050832	09/29/05
Curtis, Robert Wayne	Amarillo	Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	\$7,500 fine	050960	11/8/05
Davidson, Bert; Interactive Amusement Association; Inglis, Earl; R&A Specialty Insurance; Inglis Insurance; United Assurance Company LTD.	Toronto, Ontario, Canada	Unauthorized insurance	\$25,000 fine; Cease and Desist	050867	10/7/05
Early, Peter, P.E.	Galveston	Knowingly, willfully, fraudulently or with gross negligence, signed or caused to be prepared an inspection report that contains a false, fictitious or fraudulent statement or entry	Qualified Inspector's Appointment cancelled	051014	11/30/05
Faz, Joaquin Xavier	San Antonio	Failed to comply with continuing education requirements	\$1,500 fine	050852	10/05/05
First American Title Insurance Company - Corpus Christi	Corpus Christi	Employed and utilized an unlicensed escrow officer	\$20,000 fine	050756	09/01/05
First Southwestern Title Company of America, L.L.C.	Houston	Misappropriated or converted money belonging to an insurer or insured; Engaged in fraudulent or dishonest acts or practices	Title Insurance Agent License revoked	050856	10/05/05
Foley, Jeralynn Christen	Houston	Acted as a fee attorney and failed to use bona fide employees in title insurance transactions	\$3,000 fine	050853	10/05/05
Fonza, April	Tyler	Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	Restitution; General Property and Casualty License revoked	050797	09/20/05



NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
Garner, Ricky B	Fort Worth	Felony conviction	General Life, Accident, Health and HMO License denied	050761	09/06/05
Grammar, Jennifer Lee	Boerne	Failed to disclose criminal offenses on application; Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	\$3,763 Restitution; General Property and Casualty License denied; Adjuster Property and Casualty License revoked	050849	10/05/05
Green, Tammy Michelle	Weatherford	Failed to comply with continuing education requirements	\$3,000 fine; General Property and Casualty License revoked	050792	09/20/05
Harper, Ronald David	Houston	Failed to comply with continuing education requirements	\$1,500 fine	050791	09/20/05
Hatcher, Mary Teresa	Farmers Branch	Failed to comply with continuing education requirements	\$750 fine; Must complete 15 hours continuing education	050806	09/21/05
Hurst Holme Insurance Company, LTD., International Advisory Services, LTD. of Hamilton HM HX,	Bermuda	Unauthorized insurance	\$100,000 fine; Cease and Desist Order	050677	07/29/05
International Wet Marine Underwriters: Marine Underwriters Limited; Marine Specialty Management: Reynolds, Craig; Woods, Bruce	Lake Havasu City, AZ	Unauthorized insurance	\$20,000 fine	050774	09/12/05
Jackson, Wednesday Erica	Dallas	Failed to comply with continuing education requirements	\$2,000 fine	050880	10/12/05
Jones, Robert Haskell	Amarillo	Failed to comply with terms of an issued consent order	General Life, Accident and Health License revoked	050795	09/20/05
Kasule, Henry Yosiya	Houston	Misappropriated or converted money belonging to an insurer or insured; Engaged in fraudulent or dishonest acts or practices	\$9,979 restitution; General Property and Casualty License revoked	050889	10/17/05
Kelly, Erica Singleton	Houston	Misappropriated or converted money belonging to an insurer or insured; Materially misrepresented terms and conditions of an insurance policy	General Property and Casualty License revoked	050805	09/21/05
Keyser, James Stephen	Sugarland	Acted as a fee attorney and failed to use bona fide employees as escrow officers in closing transactions	\$12,500 fine	051013	11/30/05
Lawlor, James Kevin	Reading, PA	Acted as an agent for unauthorized entities	\$5,500 fine; General Property and Casualty License revoked	050968	11/08/05
Marshall, Robert Wayne	Kilgore	Made a material misrepresentation on a license application; Felony offense involving moral turpitude	General Life, Accident, and Health License denied	050850	10/05/05



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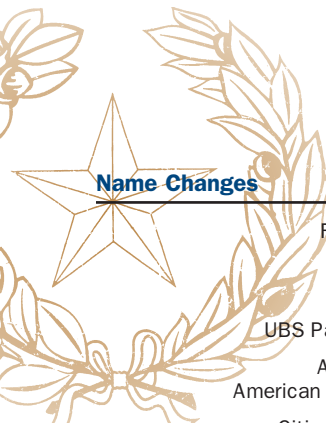
NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
Martinez, Francisco Espittia	El Paso	Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	\$7,061 Restitution; General Life, Accident and Health License revoked	050966	11/08/05
Martinez, Ramiro Reyna	Santa Rosa	Made a material misrepresentation on a license application; Misappropriated or converted money belonging to an insurer or insured; Engaged in fraudulent or dishonest acts or practices	Life Insurance Not Exceeding \$15,000 License application denied	050879	10/12/05
Miller, Brian Clark	College Station	Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	\$3,319 restitution; General Life, Accident and Health License and General Property and Casualty License revoked	050962	11/08/05
National Insurance Crime Training Academy	Palos Hills, IL	Taught continuing education courses with an expired provider registration	\$3,500 fine	050854	10/05/05
New York Life Insurance Company	New York City, NY	Issued an unapproved group accident and health certificate	\$5,000 fine	050758	09/01/05
Nicholson, Don Alan	Addison	Acted as an agent for unauthorized entities	\$3,336 fine subject to a dollar-for-dollar reduction by restitution to \$1,000	050757	09/01/05
Orthofix, Inc.	McKinney	Taught a continuing education course with an expired provider registration	\$2,500 fine; One year suspension of Continuing Education Provider Registration	050967	11/08/05
Prince, Wayman Lee	Houston	Acted as a fee attorney and failed to use bona fide employees in title insurance transactions	\$7,000 fine	050855	10/05/05
Rangel, Nikki Ann	Houston	Materially misrepresented terms and conditions of an insurance policy; Solicited insurance contracts without appointment or designation by an authorized insurer	\$3,000 fine; 2 year probation	050877	10/12/05
Salazar, Adam M.	Beeville	Misappropriated or converted money belonging to an insurer or insured; Engaged in fraudulent or dishonest acts or practices	Life Insurance Not Exceeding \$15,000 License revoked	050890	10/17/05
Schmidt, Michael Howard	Orlando, FL	Failed to timely file required Annual Agent Reports for Risk Retention and Purchasing Groups; Failed to timely respond to requests for information from TDI	\$1,500 fine	050803	09/21/05
State and County Mutual Fire Insurance Company	Fort Worth	Used unapproved policy forms	\$40,000 fine; Required to strictly oversee its managing general agent	050785	09/16/05

NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
Taylor, Deborah C.	Dripping Springs	Misappropriated or converted money belonging to an insurer or insured; Engaged in fraudulent or dishonest acts or practices	Restitution; General Property and Casualty License and General Life, Accident, and Health License revoked	050794	09/20/05
Thompson, James Donald Jr.	Kingwood	Failed to comply with Commissioner's Order	General Life, Accident, and Health License revoked	050796	09/20/05
Title Texas, Inc.; Hoge, Stewart B.; Stewart B. Hoge, P.C.	Dallas	Allegedly failed to use bona fide employees as escrow officers in title transactions	\$250,000 fine	050888	10/17/05
Trumbull Insurance Company	Harford, CT	Used an unapproved endorsement	\$7,500 fine	050804	09/21/05
Whittington & von Sternberg	Houston	Taught a continuing education course with an expired certificate	\$3,000 fine	050786	09/16/05
Wilson, Roger Glen	Irving	Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	\$11,229 restitution; General Life, Accident and Health License and General Property and Casualty License revoked	050963	11/08/05

InLicensing

New Companies

COMPANY NAME	LOCATION	LINE	DATE LICENSED
Argus Health Systems, Inc. - TPA	Wilmington, DE	Third Party Administrator	09/16/05
Criterion Claim Solutions, Inc. - TPA	Omaha, NE	Third Party Administrator	09/16/05
Houston TPA, LTD., DBA Health Administration Services - TPA	Irving, TX	Third Party Administrator	09/16/05
Phoenix Indemnity Insurance Company	Phoenix, AZ	Property & Casualty	10/07/05
American Wholehealth Networks, Inc. - TPA	Wilmington, DE	Third Party Administrator	10/10/05
Concero, Inc., DBA Concero Group - TPA	Portland, OR	Third Party Administrator	10/10/05
CSI Life Insurance Company	Omaha, NE	Life & Health	10/18/05
Memic Indemnity Company	Manchester, NH	Property & Casualty	10/19/05
Omega Administrators, Inc. - TPA	Little Rock, AR	Third Party Administrator	10/25/05
Summit America Insurance Services, L.C. - TPA	Overland Park, KS	Third Party Administrator	10/25/05
VFS Financial Services, L.L.C. - TPA	Austin, TX	Third Party Administrator	10/25/05
Central Benefits Administrators, Inc. - TPA	Columbus, OH	Third Party Administrator	10/31/05
Firstcomp Underwriters Group, Inc. - TPA	Omaha, NE	Third Party Administrator	10/31/05
Institution Solutions I, LLC, DBA Institution Solutions, LLC - TPA	Richardson, TX	Third Party Administrator	10/31/05
SE2, Inc., DBA Service End to End, Inc. - TPA	Topeka, KS	Third Party Administrator	10/31/05
Highland Springs, Inc. - CCRC	Baltimore, MD	Specialty (CCRC)	11/03/05
Valley Baptist Insurance Company	Harlingen, TX	Life & Health	11/07/05



Name Changes

COMPANY NAME	LOCATION	CHANGED TO	DATE OF CHANGE
Fortis Benefits Insurance Company	Des Moines, IA	Union Security Insurance Company, West Des Moines, IA	09/06/05
Fortis Insurance Company	Milwaukee, WI	Time Insurance Company	09/06/05
UBS Painwebber Life Insurance Company	San Francisco, CA	UBS Life Insurance Company USA	09/14/05
A.M.H. Insurance Company A/N for American Modern Home Insurance Company	Cincinnati, OH	Dropped A/N - American Modern Home Insurance Company, Amelia, OH	09/29/05
Citizens Insurance Company of America	Denver, CO	CICA Life Insurance Company of America	10/04/05
Anders, Smith & Associates, Inc. - TPA	Dallas, TX	Anders, Smith & Associates, LLP, Wilmington, Delaware (30 to 31)	10/25/05
Liberty Insurance Services Corporation - TPA	Greenville, SC	IBM Business Transformation Outsourcing Insurance Services Corporation	10/25/05
Texas Pension Consultants, Inc., DBA Texas Pension Consultants - TPA	Waco, TX	July Busines Services, Inc., DBA July Business Services	10/25/05
Industrial Underwriters Insurance Company	Irving, TX	Cardif Property and Casualty Insurance Company, Kerrville, TX	10/28/05
HCH Administration, Inc., DBA Cimarron Insurance Service Corporation	Albuquerque, NM	Delete DBA name	10/31/05
GE Residential Mortgage Insurance Corporation of North Carolina	Raleigh, NC	Genworth Residential Mortgage Insurance Corporation of North Carolina	11/01/05
General Electric Home Equity Insurance Corporation of North Carolina	Raleigh, NC	Genworth Home Equity Insurance Corporation	11/01/05
General Electric Mortgage Insurance Corporation	Raleigh, NC	Genworth Mortgage Insurance Corporation	11/01/05
General Electric Mortgage Insurance Corporation of North Carolina	Raleigh, NC	Genworth Mortgage Insurance Corporation of North Carolina	11/01/05
Loya Preferred Insurance Company	El Paso, TX	Vision Insurance Company	11/23/05



Texas Department of Insurance

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