



## TDI Prepares as the 2006 Hurricane Season Begins

**L**AST YEAR'S HURRICANE SEASON will go down as one of the worst on record, with Hurricanes Katrina and Rita causing massive damage and property loss all along the Gulf Coast. While the 2006 hurricane season officially began on June 1, TDI's advance preparations actually began at the tail end of the 2005 hurricane season, as the agency held a series of meetings to assess what went well and what could have been handled better. The current result is one of the most intensive and comprehensive disaster preparation initiatives the agency has ever undertaken.

by the expression "High Tech/High Touch": "We utilize every available means to connect with our partners, share the latest information, and move resources where they're needed," said Selden. "At the same time, we need to stay mindful that for some people, a disaster has happened in their lives. We're committed to doing whatever it takes to get them back on their feet. If it's insurance related, of course that's where we focus our efforts and expertise. But sometimes it also involves helping meet some basic human needs. We always try to keep the big picture in mind."



### Storm Predictions

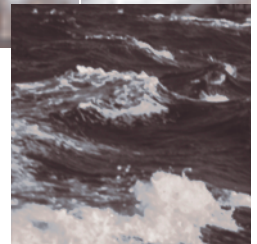
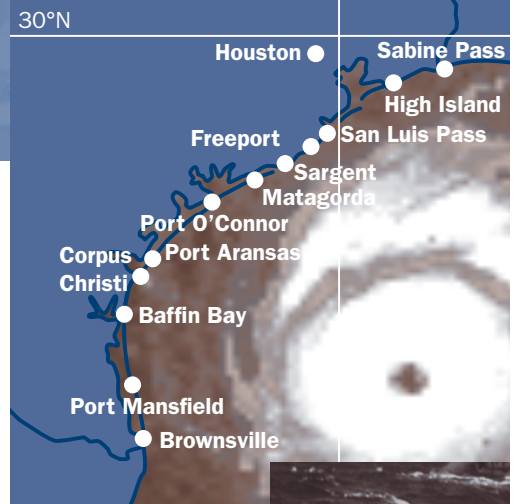
- Average season: 9.6 named storms, 5.9 hurricanes, 2.3 major hurricanes
- Officials predict another active hurricane season this year: 17 named storms, Nine hurricanes, Five major hurricanes (Category 3 or greater)
- 2005 season: 27 named storms, 15 hurricanes, Seven major hurricanes

TDI's disaster mode begins at the executive level, with the heads of each division in regular contact with the Commissioner and executive staff to make sure the agency-wide efforts are coordinated. When Hurricane Rita hit the Texas/Louisiana coast in September 2005, it quickly became apparent that it wasn't just property damage that would have to be dealt with. In addition to home and auto claims, there were issues involving health insurance, workers' compensation, fraud, the State Fire Marshal's Office, and even agent licensing.

TDI works hand-in-hand with the Governor's Division of Emergency Management (DEM), the Federal Emergency Management Agency (FEMA), and other state departments of insurance that may be affected during a disaster. In the past, TDI Consumer Protection specialists have been loaned to the Florida and Louisiana insurance departments to provide direct assistance to consumers in those states.

TDI's Disaster Response efforts are spearheaded by the agency's Consumer Protection (CP) Division. According to Audrey Selden, Senior Associate Commissioner for CP, the 2006 agency's disaster response mode is characterized

The response also has to be coordinated among and between numerous other agencies, organizations, and the insurance industry itself. The Texas State Disaster Coalition represents a broad array of public and private entities working together to provide a timely, multi-faceted response. TDI is the lead agency and coordinates a regular conference call among participants. During Hurricanes Katrina and Rita, the conference calls took place on a daily basis.



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Photos courtesy of TxDOT

### InSideInSight



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## Saffir-Simpson Hurricane

**Tropical storm** Sustained winds of at least 39 mph.

**Category 1** Winds 74-95 mph. Damage to unanchored mobile homes, signs and trees.

**Category 2** Winds 96-110 mph. Heavy damage to mobile homes, roofing, doors and windows.

**Category 3** Winds 111-130 mph. Mobile homes destroyed. Structural damage to small homes. Storm surge 9-12 feet above normal, can cut-off low-lying escape routes hours before the storm hits.

**Category 4** Winds 131-155 mph. Storm surge 13-18 feet above normal. Major damage to lower floors of structures near shore. Areas lower than 10 feet above sea level may be flooded, requiring evacuation of coastal areas as far inland as six miles.

**Category 5** Winds greater than 155 mph. Storm surge generally 18 feet above normal. Complete roof failure on many homes and commercial buildings. Some complete building failures, with small utility buildings blown away. Major damage to lower floors of all structures less than 15 feet above sea level and within 500 yards of shoreline.

**Evacuations** 5-10 miles inland.

SOURCE: National Hurricane Center

An essential element in disaster response is the timely dissemination of accurate information. The primary way that TDI communicates disaster information is through its website ([www.tdi.state.tx.us](http://www.tdi.state.tx.us)). TDI's StormLink webpage is featured prominently at the top of the agency's homepage, and provides information about current weather conditions, links to other resources, important phone numbers, and consumer tips for both before and after the disaster. Information on the StormLink webpage is available 24-7, and is constantly updated as conditions change.

In addition to its web presence, TDI distributes information to the general public in the form of press releases to the media. In advance of storm season, TDI's Public Information Office sends articles to newspapers, magazines, web publications, TV and radio stations statewide on a variety of topics to help raise awareness of preparedness issues. During an emergency, press releases, announcements and advisories are distributed to the media on an as-needed basis—daily if need be. Depending on the parts of the state affected by the disaster, media outlets are targeted accordingly. PIO staff are also on hand to answer questions for reporters covering the disaster and coordinated responses from TDI's staff experts.

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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.

# 2006 Hurricane Season

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Once a disaster strikes, TDI is prepared to deploy personnel to the affected area to provide direct consumer assistance through Insurance Assistance Centers (IACs). The IACs proved invaluable by providing a one-stop resource where people could find representatives of several insurance carriers as well as TDI staff. During the 2005 Hurricane season, IACs were co-located with the Disaster Response Centers that were set up to provide a broad array of services. At that time the agency was fortunate to have recently received an influx of staff in the transfer of the Texas Workers' Compensation Commission to TDI's newly created Division of Workers' Compensation. DWC personnel stepped in to augment TDI's staff deployment and enable frequent rotation of teams in the field.

As a state regulator, TDI is responsible for making sure the industry rises to the challenge that a disaster presents. To accomplish this objective, the agency communicates its expectations to insurance companies in the form of Commissioner's Bulletins. During the 2005 hurricane season, 17 bulletins were issued on a variety of topics. Industry performance can also be assessed after a disaster through data calls, in which TDI staff review claims handling performance and outcomes. When a problem arises, Consumer Protection staff are available to help resolve complaints. A little over 1700 complaints were received by TDI after Hurricane Rita, representing roughly one percent of total claims. Typical complaints include multiple adjustors, delayed claims handling, unsatisfactory settlement offers, and denials. Consumer Protection staff have, to date, helped Texas consumers recover more than \$15 million through additional claims payments and refunds.

## Costliest U.S. Hurricanes 1900-2004 (unadjusted)

*The Top 10 costliest tropical cyclones to strike the U.S. mainland*

RANK	HURRICANE	YEAR	CATEGORY	DAMAGE
1	Andrew (SE FL, SE LA)	1992	5	26,500,000,000
2	Charley (SW FL)	2004	4	15,000,000,000
3	Ivan (AL/NW FL)	2004	3	14,200,000,000
4	Frances (FL)	2004	2	8,900,000,000
5	Hugo (SC)	1989	4	7,000,000,000
6	Jeanne (FL)	2004	3	6,900,000,000
7	Allison (N TX)	2001	TS <sup>a</sup>	5,000,000,000
8	Floyd (Mid-Atlantic & NE U.S.)	1999	2	4,500,000,000
9	Isabel (Mid-Atlantic)	2003	2	3,370,000,000
10	Fran (NC)	1996	3	3,200,000,000

SOURCE: National Hurricane Center

## Costliest U.S. Hurricanes 1900-2004 (adjusted)

*The Top 10 costliest tropical cyclones to strike the U.S. mainland, in US dollars inflation adjusted to the year 2004*

RANK	HURRICANE	YEAR	CATEGORY	DAMAGE
1	Andrew (SE FL, SE LA)	1992	5	43,672,000,000
2	Charley (SW FL)	2004	4	15,000,000,000
3	Ivan (AL/NW FL)	2004	3	14,200,000,000
4	Hugo (SC)	1989	4	12,250,000,000
5	Agnes (FL, NE U.S.)	1972	1	11,290,000,000
6	Betsy (SE FL, SE LA)	1965	3	10,799,500,000
7	Frances (FL)	2004	2	8,900,000,000
8	Camille (MS, SE LA, VA)	1969	5	8,889,000,000
9	Diane (NE U.S.)	1955	1	6,997,700,000
10	Jeanne (FL)	2004	3	6,900,000,000

SOURCE: National Hurricane Center





## In Rules

### **Automobile Insurance Proposed Rule Notice Requirements to Claimants Regarding Motor Vehicle Repairs**

The Texas Department of Insurance is proposing amendments to §5.501, concerning the procedures an insurer must follow in order to give the proper notice to claimants regarding their motor vehicle repair rights. The changes are proposed to reduce confusion, eliminate consumer frustration, and enable the Department to more efficiently allocate agency resources.

Article 5.07-1(a) provides that an insurer may not, directly or indirectly, limit its coverage specifying the brand, type, kind, age, vendor, supplier, or condition of parts that may be used to repair the vehicle or by limiting the beneficiary from selecting a repair facility. Insurers must provide to the beneficiary or third-party claimant notice of these rights.

The current notice does not state how to contact the responsible insurance company nor does it clearly indicate the insurance company's role in the claims process. Instead, it prominently displays the Department's contact information and encourages claimants to call with questions about their rights. As a result, many calls to the Department must be redirected back to the insurance company. This process results in consumer frustration and taxes the Department's resources.

To address these concerns, the proposed amendment clarifies the Department's role and distinguishes it from the insurance company's responsibilities by adding new language and requiring special formatting. The proposed language makes clear that the Department is responsible for providing information about Insurance Code Article 5.07-1, while insurance companies are responsible for providing detailed information about the nature of coverage under a particular policy. The proposed amended notice displays the insurance company's name, mailing address, phone number, fax number, and email or web address prominently in bold face type. The proposed amendment also requires that the notice must be provided in Spanish as well.

The benefit anticipated as a result of the proposed amended section will be less confusion and frustration on the part of those who make a claim regarding damage to a motor vehicle. The amended rule will also benefit consumers by enabling the Department to better allocate its resources and reduce the number of misdirected calls.

### **Texas Windstorm Insurance Association Proposed Rule Inspections for Windstorm and Hail Insurance**

The Department of Insurance is proposing new rules concerning procedures for the appointment by the Commissioner of temporary qualified inspectors to conduct windstorm inspections in designated catastrophe areas.

Under the proposal, after notice and a public hearing, the Commissioner may determine that qualified inspectors are not reasonably available in the first tier coastal counties and/or in designated catastrophe areas. If the Commissioner makes such a determination, the Commissioner could then appoint temporary qualified inspectors for a limited period. The temporary appointees will be authorized to perform inspections of structures for purposes of determining insurability for windstorm and hail coverage through the Texas Windstorm Insurance Association (TWIA).

As a result of Hurricane Rita in 2005, the Department found that in the aftermath of a hurricane or other catastrophe, residents and business owners in the affected catastrophe areas can face delays in the building or repair of structures because of the overwhelming demand for windstorm inspections and the lack of qualified inspectors to meet this demand. The delay in rebuilding and repair of structures creates a negative influence in the economic stability of the affected area.

Following Hurricane Rita, the Department temporarily assigned its inspectors from other areas of the coast to the affected areas, provided by rule for the temporary appointment of inspectors in the most needed areas, and worked with the TWIA, which provided additional inspection assistance through independent contract inspectors. While these efforts were effective, there is a need for the Department to act earlier and more quickly following any future catastrophe to address the overwhelming demand for windstorm inspections, the lack of qualified inspectors to meet this demand and to lessen the potential negative economic impact.

This proposal will enable the Commissioner to make appointments without having to adopt separate rules for each designated catastrophe area that requires additional inspectors following a catastrophe.

# Fraud Unit Prosecutions

## March Case Dispositions

**Donald Brelsford** was sentenced in Austin to 120 months probation and was ordered to pay \$74,102.01 in restitution for Misapplication of Fiduciary Property, a second degree felony.

**Nakia Brown** was sentenced in Dallas to 10 years deferred adjudication, 300 hours community service, fined \$2,000.00 and ordered to pay \$34,593.57 in restitution for Engaging in Organized Criminal Activity, a first degree felony.

**Robert James Bruce, Jr.** was sentenced in Austin to 48 months deferred adjudication, 160 hours community service and was fined \$500.00 for False Statement in a Written Instrument, a third degree felony.

**Gustavo Del Aguila** was sentenced in Dallas to 24 months probation, 240 hours community service, fined \$200.00 and ordered to pay \$4,316.90 in restitution for Misapplication of Fiduciary Property, a class A misdemeanor.

**Linda Raines** was sentenced in Dallas to 18 months deferred adjudication, 80 hours community service and was fined \$1,000.00 for Insurance Fraud, a class A misdemeanor.

**Jimmy Robinson** was sentenced in Dallas to 10 years deferred adjudication, fined \$2,000.00 and was ordered to pay \$27,000.00 in restitution for Theft, a third degree felony.

**Bobby Gene Ross** was sentenced in Corpus Christi to five years deferred adjudication, fined \$250.00 and was ordered to pay \$10,725.00 in restitution for Insurance Fraud, a state jail felony.

## April Case Dispositions

**Steven M. Allen** was sentenced in Houston to 36 months deferred adjudication, 160 hours community service and was ordered to pay \$27,026.27 in restitution for Misapplication of Fiduciary Property, a third degree felony.

**Riley Anderson** was sentenced in Austin to 24 months deferred adjudication, 24 months probation and was fined \$4,000.00 for Tampering with a Governmental Record, a class A misdemeanor.

**Simon Eyo Asuquo** was sentenced in Houston to 10 months confinement for Aggregated Theft, a state jail felony.

**Darryn Butler** was sentenced in US District Court, Corpus Christi to 18 months confinement, three years probation, a \$100.00 assessment and was ordered to pay \$79,903.75 in restitution for Conspiracy to Launder Money.

**Cassandra Crenshaw** was sentenced in Austin to nine months confinement for Attempted Tampering with a Governmental Record, a state jail felony.

**Gianni Denegri** was sentenced in Dallas to 18 months deferred adjudication, 80 hours community service and was fined \$1,000.00 for Attempted Insurance Fraud, a class A misdemeanor.

**Daniel Monroe** was sentenced in US District Court, Corpus Christi to eight months confinement, three years probation, a \$100.00 assessment and was ordered to pay \$124,428.21 in restitution for Aiding and Abetting to Commit Mail Fraud.

**Fred Rich** was sentenced in US District Court, Corpus Christi to 50 months confinement, three years probation, a \$200.00 assessment, was fined \$5,000.00 and was ordered to pay \$629,000.00 in restitution for Conspiracy to Launder Money and for Aiding and Abetting to Commit Mail Fraud.

## May Case Dispositions

**Billie Charles Beall** sentenced in Longview to one year confinement and two years probation for Insurance Fraud, a class A misdemeanor.

**Kevin Eugene Dow** was sentenced in US District Court, Houston to 57 months confinement, a \$100.00 assessment and was ordered to pay \$149,166.67 in restitution for Conspiracy to Commit Mail Fraud.

**Christopher Allen Rivers** was sentenced in US District Court, Houston to 36 months confinement, a \$100.00 assessment and was ordered to pay \$613,687.46 in restitution for Conspiracy to Commit Mail Fraud.

**Tammy James** was sentenced in Lubbock to 48 months probation, 200 hours community service and ordered to pay \$17,325.79 in restitution pled guilty for Insurance Fraud, a state jail felony.

**James Wilcox** was sentenced in Dallas to one year deferred adjudication and fined \$1,000.00 for Insurance Fraud, a class A misdemeanor.

**Stanley Corvin** paid \$35,000.00 in restitution in lieu of prosecution and his case was dismissed in Austin.

**Debra McAllister** was sentenced in Quitman to 60 months deferred adjudication and ordered to serve 180 community service hours for Unauthorized Insurance, a 3rd degree felony.



# Changes in Coastal Homeowners Market

**THERE HAVE BEEN A NUMBER** of recent developments along the coast for Texas homeowners, affecting both pricing and availability.

Allstate Texas Lloyds announced that it would be non-renewing wind coverage for approximately 65,000 policyholders in Tier 1 counties (counties with coastal borders), beginning September 15, 2006. Some smaller insurance companies also announced similar

actions to reduce coastal exposure.

In April, the Texas Windstorm Insurance Association (TWIA) requested rate increases of 19 percent for homeowners and 24 percent for commercial

properties. Texas Insurance Commissioner Mike Geeslin, citing the need for an incremental approach to strengthen the wind pool, issued an order in May approving a 3.1 percent increase for homeowners and 8 percent increase for commercial.

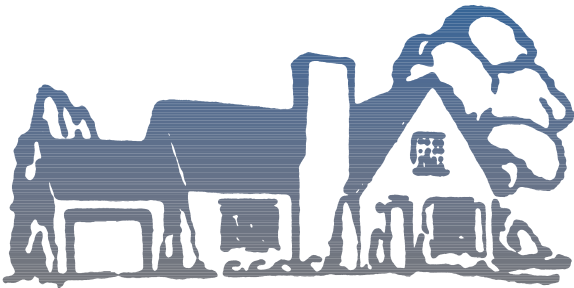
Additionally, Geeslin signed an order allowing TWIA to surcharge wind pool applicants (whose previous wind coverage was non-renewed) through an approval process that does not require the standard windstorm inspection. The refusal of insurers to continue to write wind coverage causes existing structures to be at risk of not being able to obtain wind coverage except for the approval process. Those homeowners who get coverage through the approval process will pay a 5 percent annual surcharge to the TWIA rate. TWIA had asked for a surcharge of 25 percent.

State Farm has filed homeowners rate increases that the company claims amount to a 20.8 percent statewide average, scheduled to be implemented August 1 for new business and October 1 for renewals. Coastal counties are hit much harder, with increases of 57 percent in Galveston County and 53 percent in Harris County. Allstate has also filed rate increases with TDI. These filings are currently under review.

TDI is monitoring these developments and surveyed a number of insurance companies that write along the coast (see the table for an overview of the current state of the coastal market as of the end of June 2006). For additional detail or more up-to-date information, contact a representative of the individual company.

## Options for Homeowners

Policyholders affected by these developments are encouraged to shop around with different companies that may be operating under different underwriting guidelines. In addition, Helpinsure.com helps Texans shop for homeowners insurance through its website ([www.helpinsure.com](http://www.helpinsure.com)) and toll-free number (1-866-695-6873). The Texas FAIR Plan Association provides residential property insurance to qualified consumers who are having difficulty obtaining coverage from licensed insurance companies. Lastly, the Texas Windstorm Insurance Association (TWIA) is a “pool” of all property insurers in Texas. It provides Texans with wind and hail coverage in tier one areas when it is not available in the insurance marketplace and pays claims when losses occur.



## Survey of Tier 1 and Tier 2 Residential Property Insurance

Residential property groups who are writing new and renewal homeowners insurance business (as of 6/28/06) in Tier 1 and Tier 2 are:

Groups Writing New Business In Tier 1		Groups Renewing In Tier 1		Groups Writing New and Renewal Business in Tier 2
	WIND AVAILABLE* Y OR N		WIND AVAILABLE* Y OR N	
AMICA	Y	AMICA	Y	AMICA
Allstate	N	Allstate	Y	Allstate**
American National	Y	American National	N	American National
ASI Lloyds	N	ASI Lloyds	N	ASI Lloyds
Balboa	Y	Balboa	Y	Balboa
Beacon	N	Beacon	Y	Beacon
Central Mutual	N	Central Mutual	Y	Central Mutual
Cypress Texas Lloyds	N	Cypress Texas Lloyds	Y	Cypress Texas Lloyds
Farmers	Y	Farmers	Y	Farmers
Hartford	Y	Hartford	Y	Hartford
Liberty Mutual	N	Liberty Mutual	Y	Liberty Mutual
Nationwide	N	Nationwide	N	Nationwide
Republic	Y	Republic	Y	Republic
Safeco	N	Safeco	N	Safeco
Texas Farm Bureau	Y	State Farm	Y	State Farm
Travelers	Y	Texas Farm Bureau	Y	Texas Farm Bureau
		Travelers	Y	Travelers

### Tier 1 includes:

Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio, Willacy. Tier 1 also includes certain specifically designated communities in Harris County that are east of State Highway 146. These communities are Pasadena, Morgan's Point, Shoreacres, Seabrook and La Porte.

### Tier 2 includes:

Bee, Brooks, Fort Bend, Goliad, Hardin, Harris - except as noted in Tier 1, Hidalgo, Jackson, Jim Wells, Liberty, Live Oak, Orange, Victoria, Wharton

\* New business written subject to individual company underwriting guidelines. Those companies that are shown to provide wind in Tier 1 may not provide wind in all areas within Tier 1.

\*\* Allstate is renewing but, not writing new business in Tier 2.

*The above list is not comprehensive. There may be additional, smaller companies writing new and renewal business in Tiers 1 and 2.*



## Chinese and Korean Delegations Visit TDI

**T**HE TEXAS DEPARTMENT OF INSURANCE, Division of Workers' Compensation hosted a delegation of 17 delegates from Guangxi Province of the People's Republic of China on May 23, 2006 to provide information on occupational safety in Texas and the United States. In June 2004 the U.S. Department of Labor and the State Administration of Work Safety (SAWS) of the People's Republic of China signed a letter of understanding regarding cooperation relating to workplace safety and health. The Chinese provincial safety delegates represented various industries, and wanted to learn specifically about state and federal safety regulations and production safety.

Jensen Shen with the Governor's Office of Economic Development helped facilitate the meeting, along with Donna Reynolds with TDI's Government Relations area. Bill DeCabooter, Karen Puckett, Tonna Marcyes, and Ron Tom with Workplace and Medical Services provided the delegates with a briefing, materials, and dialogue with the state and corporate representatives. With the help of translation and interpreter resources from the University of Texas, Texas Department of Insurance, and others, staff successfully bridged communication barriers during the meeting and on site visits to two manufacturing facilities.

Austin-based company 3M Communications Markets Division, which manufactures various communication devices used by the telecom industry, and CFAN, a San Marcos manufacturer of high performance compressor fan blades, vanes, and other components for General Electric jet engines found on the Boeing 777 and other airliners, welcomed the delegation's visit to their facilities with discussion about safety processes and worksite walk-throughs.

The delegation left with a clearer understanding of how occupational safety is regulated and implemented in U.S. workplaces, along with a shared desire to exchange information and best practices in the future.

### Korean Delegation

As Business Development was preparing for the Chinese delegation, TDI received a request from the Department of State's International Visitor Leadership Program to meet with a Korean government delegation on July 16th.

The goals of this project were to enable the participants to learn about economic benefits accruing from greater liberalization of the global trade and investment regime; formulation and implementation of U.S. trade and investment policy and the roles played by the Executive Branch, Congress, business, and non-governmental organizations. They wanted to learn about government and private sector key bilateral economic issues such as intellectual property, financial services, agriculture, automobiles and the semi-conductor industry. Another goal of the delegation was to promote investment opportunities for American businesses in the Republic of Korea and for Korean companies in the US and social welfare challenges resulting from the baby boom and ongoing efforts to reform health care and pension systems.

Other areas of interest specific to Austin included state banking and insurance industry regulators, state international trade office-export promotion and Texas economic development, meeting state officials, businessmen and scholars to discuss NAFTA experience/benefits/costs, IP copyright, and Texas agricultural exports.

With the assistance of two US Department of State Interpreters, TDI International Regulatory Counsel, Gloria Leal and Business Development Director, Donna Reynolds, hosted a morning reception and briefing which provided an overview of TDI's relationship with the federal government and how they interact. They also learned about the role TDI plays in the regulation and oversight of carriers.



NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
<b>Acord, Karen Elaine</b>	Houston	Failed to comply with continuing education requirements	\$1,500 fine	060232	03/06/06
<b>Alexander, Bennie Jean</b>	Plano	Engaged in fraudulent or dishonest acts or practices; Felony Insurance Fraud	Insurance Adjuster License revoked	060169	02/15/06
<b>Allegiance Title Company</b>	Dallas	Repeatedly failed to timely remit title insurance guaranty fees	\$4,500 fine	060145	02/09/06
<b>American Exchange Life Insurance Company</b>	McKinney	Failed to file required notice of withdrawal	\$3,000 fine	060223	03/01/06
<b>American International Companies of New York</b>	New York, NY	Charged excessive TRIA rates to some policyholders; Failed to provide clear and conspicuous disclosure to policyholders of the TRIA charge at time of offer, purchase and/or renewal of the policy	\$150,000 fine; Restitution	060175	02/16/06
<b>Arthur J. Gallagher &amp; Co.-Dallas; Michalak, Gerald Joseph</b>	Dallas	Allegedly materially misrepresented the terms and conditions of an insurance policy	\$25,000 fine	060239	03/07/06
<b>Atkinson-Roach, Linda</b>	Missouri City	Made a material misrepresentation on a license application; Received title insurance premium without license	\$3,000 fine	060137	02/06/06
<b>Avila, Ivelisse</b>	Carrollton	Failed to comply with continuing education requirements	\$1,450 fine; One year suspension of Insurance Adjuster License	060324	03/31/06
<b>Barrientos, John Anthony</b>	San Antonio	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 30 hours of continuing education	060318	03/31/06
<b>Berkins, Kourtney Michelle</b>	Fort Worth	Engaged in fraudulent or dishonest acts or practices	General Lines Property and Casualty Agent's License denied	060235	03/06/06
<b>Best Life and Health Insurance Company</b>	of Austin	Failed to obtain approval for several Holding Company Act transactions	\$10,000 fine	060170	02/15/06
<b>Bratton, Eric Joseph</b>	Dallas	Acted as an escrow officer without a proper license	\$1,125 fine	060243	03/08/06
<b>Castillo, Alma Rosa</b>	Portland	Acted as an escrow officer without a proper license	\$1,200 fine	060293	03/24/06
<b>Charles, Carol Lynn</b>	Richmond	Engaged in fraudulent or dishonest acts or practices; Felony Insurance Fraud	Insurance Service Representative License Revoked	060236	03/06/06
<b>Cigna Healthcare of Texas</b>	Irving	Failed to provide timely written notification to the appealing party of the determination of the appeal; Failed to timely notify TDI of request for an independent review	\$10,000 fine	060220	02/28/06
<b>Costello, Martha Estella</b>	San Antonio	Failed to comply with continuing education requirements	\$1,500 fine; One year suspension; Must complete 30 hours of continuing education	060127	02/03/06
<b>Deokaran, John</b>	Hammond, LA	Engaged in fraudulent or dishonest acts or practices; Felony conviction	Insurance Adjuster License Revoked	060295	03/24/06
<b>Donihoo, Chad Eric; Designer Auto Sales, Inc.</b>	Dallas	Unauthorized insurance	\$10,000 fine; Cease and Desist	060319	03/31/06
<b>Eaden, Ilene</b>	Nacogdoches	Failed to comply with continuing education requirements	\$1,500 fine; One year suspension; Must complete 30 hours of continuing education	060126	02/03/06
<b>Electronic Health Plans, Inc.</b>	Farmingdale, NY	Acted as an unauthorized third party administrator for unauthorized entities	\$15,000 fine	060124	02/03/06
<b>Ellison, Joshua Clifton</b>	Plano	Acted as an escrow officer without a proper license	\$3,500 fine	060244	03/08/06
<b>Foard, Joe Lee Jr.</b>	Sherman	Acted as Public Insurance Adjuster without holding a license	Cease and Desist Order	060148	02/09/06

# InDiscipline

NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
<b>Forse Abstract and Title Company, Inc.</b>	Newton	Failed to timely remit title insurance policy guaranty fees	\$3,000 fine	060213	02/27/06
<b>Fox, Richard W.</b>	San Antonio	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 30 hours of continuing education	060320	03/31/06
<b>Fuentes, Valerie</b>	San Antonio	Misappropriated or converted money belonging to an insurer or insured; Engaged in fraudulent or dishonest acts or practices	General Property and Casualty License revoked	060171	02/15/06
<b>Gill, Ana</b>	McKinney	Failed to comply with continuing education requirements	\$350 fine; Must complete 30 hours of continuing education	060294	03/24/06
<b>Gonzales, Danny</b>	Wichita Falls	Engaged in fraudulent or dishonest acts or practices; Felony offense	General Life, Accident, and Health License Denied	060323	03/31/06
<b>Gonzalez, Maria</b>	Houston	Misappropriated or converted money belonging to an insurer or insured; Engaged in fraudulent or dishonest acts or practices	Limited Lines License revoked	060125	02/03/06
<b>Graham, Cynthia Ann</b>	Austin	Misappropriated or converted money belonging to an insurer or insured; Engaged in fraudulent or dishonest acts or practices	\$50,000 fine; General Life, Accident, and Health License revoked	060162	02/14/06
<b>Hale Title, Incorporated</b>	Goldthwaite	Failed to timely remit title insurance policy guaranty fees	\$2,100 fine	060321	03/31/06
<b>Hartford Steam Boiler Inspection &amp; Insurance Co.</b>	Houston	Taught a continuing education course with an expired provider registration	\$1,000 fine	060146	02/09/06
<b>Hawkins, David Harold</b>	Carrollton	Made a material misrepresentation on a license application; Felony conviction	Adjuster Property and Casualty License Revoked	060285	03/24/06
<b>Heart-Land Title Company</b>	Brownwood	Failed to timely remit title insurance policy guaranty fees	\$2,400 fine	060214	02/27/06
<b>Hicks, Mary Kathleen</b>	San Angelo	Allegedly materially misrepresented terms and conditions of an insurance policy	\$15,000 fine subject to a dollar-for-dollar reduction by restitution to \$2,000	060156	02/10/06
<b>Howell, Patricia Elizabeth</b>	Sasche	Acted as an escrow officer without a proper license	\$1,875 fine	060245	03/08/06
<b>International Fidelity &amp; Surety, Ltd.; Melanie Grunwald</b>	Hartford, CT	Engaged in unfair and deceptive acts or practices; Unauthorized insurance	Emergency Cease and Desist Order	060147	02/09/06
<b>Knez, Carol L.</b>	Centennial, Colorado	Engaged in fraudulent or dishonest acts or practices	Insurance Adjuster License Revoked	060237	03/06/06
<b>Mason County Title Company</b>	Mason	Failed to timely remit title insurance policy guaranty fees	\$3,150 fine	060322	03/31/06
<b>McCleary, Linda Jeane</b>	Cypress	Felony conviction	Group 1, Life, Accident, Health and HMO insurance agent license denied	060174	02/16/06
<b>Montoya, Edith Jacqueline</b>	Dallas	Engaged in fraudulent or dishonest acts or practices; Felony offense	General Property and Casualty License application denied	060168	02/15/06
<b>Neff, Diane Wheelock</b>	Coppell	Acted as an escrow officer without a proper license	\$2,375 fine	060246	03/08/06
<b>Reged, Inc.</b>	Morrisville, NC	Taught a continuing education course with an expired provider registration	\$7,000 fine	060215	02/27/06
<b>Rio Abstract &amp; Title Company</b>	Rio Grande City	Failed to maintain a legal abstract plant; Failed to issue title policies based on evidence obtained from an abstract plant maintained by a licensed agent; Failed to timely file annual escrow audit report and annual statistical reports	Title Agent's License Revoked	060224	03/01/06
<b>Scott, James Ammon</b>	San Angelo	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 15 hours of continuing education	060165	02/15/06

NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
<b>Sidener, Alana Michelle</b>	Dallas	Acted as an escrow officer without a proper license	\$1,000 fine	060247	03/08/06
<b>Skill Tech Construction</b>	Houston	Acted as a Public Insurance Adjuster without a license	\$3,500 fine	060123	03/03/06
<b>Springer, Vera Jo</b>	Dallas	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 30 hours of continuing education	060166	02/15/06
<b>Sullivan, Jeffrey Michael</b>	Houston	Failed to comply with previous Commissioner's Order	General Property and Casualty License revoked	060217	02/27/06
<b>Tiernan, Mark Robert</b>	Plano	Acted as an escrow officer without a proper license	\$6,625 fine	060248	03/08/06
<b>Valdez, Steven Daniel</b>	San Marcos	Felony offense	Two year probation of General Property and Casualty License and General Life, Accident and Health License	060157	02/10/06
<b>Williams, Valerie Faye</b>	Austin	Made a material misrepresentation on a license application	\$1,000 fine	060155	02/10/06
<b>Woolard, Billy Claude</b>	Fort Worth	Felony conviction	Agent License Denied	060307	03/30/06

# InLicensing

New Companies	LOCATION	LINE	DATE LICENSED
<b>Cenpatico Behavioral Health of Texas, Inc. - HMO</b>	Austin, TX	HMO	02/07/06
<b>Residence Mutual Insurance Company</b>	Agoura Hills, CA	Property & Casualty	02/08/06
<b>Tower National Insurance Company</b>	Boston, MA	Property & Casualty	02/08/06
<b>Western Mutual Insurance Company</b>	Agoura Hills, CA	95-0634675	02/08/06
<b>Adaptis, Inc. - TPA</b>	Seattle, WA	Third Party Administrator	02/17/06
<b>Lonestar Self-Insured Solutions, Inc. - TPA</b>	Wilmington, DE	Third Party Administrator	02/17/06
<b>Network Administrators Insurance Agency, Inc., DBA GSA Insurance Agency Co. - TPA</b>	Port Jefferson, NY	Third Party Administrator	02/17/06
<b>Employee Benefit Management Services, Inc., DBA EBMS, INC. - TPA</b>	Billings, MT	Third Party Administrator	02/27/06
<b>Health Network America, Inc., DBA HNA/TRIVERIS, INC. - TPA</b>	Wilmington, DE	Third Party Administrator	02/27/06
<b>Lotsolutions, Inc. - TPA</b>	Nashville, GA	Third Party Administrator	02/27/06
<b>RGA Technology Partners, Inc. - TPA</b>	Chesterfield, MO	Third Party Administrator	02/27/06
<b>Newmarket Underwriters Insurance Company</b>	Concord, NH	Property & Casualty	03/01/06
<b>Midwest Family Mutual Insurance Company</b>	Minnetonka, MN	Property & Casualty	03/16/06
<b>Homeowners of America Insurance Company</b>	Dallas, TX	Property & Casualty	03/28/06
<b>Corvel Healthcare Corporation - TPA</b>	Irvine, CA	Third Party Administrator	03/31/06
<b>Coventry Management Services, Inc., DBA Coventry Health Management Services, Inc. - TPA</b>	Harrisburg, PA	Third Party Administrator	03/31/06
<b>Employer Employee Benefit Administrators, Inc. - TPA</b>	San Antonio, TX	Third Party Administrator	03/31/06
<b>Lifestyle Benefits Network, Ltd., DBA Lifeperks Benefits Network - TPA</b>	Austin, TX	Third Party Administrator	03/31/06
<b>First American Property &amp; Casualty Insurance Company</b>	Santa Ana, CA	Property & Casualty	04/18/06
<b>HSBC Insurance Company of Delaware</b>	Newcastle, DE	Property & Casualty	04/18/06
<b>Ameritrust Insurance Corporation</b>	Sarasota, FL	Property & Casualty	04/26/06
<b>Permanent General Assurance Corporation of Ohio</b>	Valley View, OH	Property & Casualty	04/26/06
<b>Care Improvement Plus of Texas Insurance Company</b>	San Antonio, TX	Life & Health	04/27/06

# Name Changes

COMPANY NAME	LOCATION	CHANGED TO	DATE OF CHANGE
Gerling Global Reinsurance Corporation of America	New York, NY	Global Reinsurance Corporation of America	02/13/06
Southwest Home Life Insurance Company	Dallas, TX	Jefferson Life Insurance Company	02/17/06
Sykes Healthplan Service Bureau, Inc. - TPA	Louisville, KY	SHPS Human Resource Solutions, Inc.	02/27/06
Texas Healthcare Foundation, L.C. - TPA	Lewisville, TX	Texas Healthcare Foundation, L.P.	02/27/06
American Founders Life Insurance Company	Dallas, TX	Sagicor Life Insurance Company	03/09/06
Mobile USA Insurance Company	Pinellas Park, FL	Liberty American Select Insurance Company	03/16/06
USAuto Insurance Company, Inc.	Nashville, TN	First Acceptance Insurance Company, Inc.	03/16/06
AXA Corporate Solutions Insurance Company	New York, NY	AXA Insurance Company	03/21/06
Explorer Insurance Company, The	Phoenix, AZ	Explorer Insurance Company, San Diego, CA (Charter Amendment)	03/23/06
National Grange Mutual Insurance Company	Jacksonville, FL	NGM Insurance Company, Stock P & C Company - Type Code From 06 to 08	03/23/06
GE Group Life Assurance Company	Windsor, CT	Genworth Life and Health Insurance Company	03/24/06
Companion Information Management Resources, Inc. - TPA	Columbia, SC	CIMR, Inc.	03/31/06
Academic Health Professionals Insurance Association	New York, NY	Academic Health Professionals Insurance Association - A Reciprocal Insurer	04/07/06
Amicus Mutual Insurance Company	Baton Rouge, LA	Stonetrust Commercial Insurance Company, converted from Mutual P & C to a Stock Casualty Company	04/07/06
Highmark Life Insurance Company	Pittsburg, PA	HM Life Insurance Company	04/11/06
Monumental General Casualty Company	Baltimore, MD	Work First Casualty Company, Elkton, MD	04/13/06
Texas Burial Life Insurance Company	San Antonio, TX	First American Life Insurance Company, Austin, TX	04/20/06
Central National Life Insurance Company of Omaha, The	Wilmington, DE	Renaissance Life & Health Insurance Company of America	04/26/06



## Texas Department of Insurance

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