



## Texas Select Homeowners Policies Cancelled Vesta Companies placed into Receivership

AUSTIN –At the direction of its Rehabilitator, Vesta Fire Insurance Company (Vesta Fire) and its Texas subsidiary insurance companies have begun issuing notices to agents to cease writing new and renewal insurance business, including homeowners policies for Texas Select Lloyds customers. Absent a last minute solution, all policies with the companies will be cancelled on August 24. The Rehabilitator has also started the process to have Vesta Fire and its Texas subsidiary insurers, including Texas Select, placed into liquidation.

**“It was in the long-term best interests of policyholders.”**

**Commissioner Mike Geeslin**

Vesta Fire is a Texas-domiciled insurer and the parent company of four other Texas-domiciled insurers: Texas Select Lloyds Insurance Company, Vesta Insurance Corporation, Shelby Casualty Company, and the Shelby Insurance Company. Texas Select is the only insurer with active Texas policyholders.

Until earlier this year, Texas Select Lloyds was the only Vesta insurer domiciled in Texas. In May, four other Vesta insurers re-domesticated to Texas, including Vesta Fire. Vesta Fire is the parent company of the other Vesta insurers and served as a financial backstop for the subsidiary insurers, including Texas Select. These actions were coordinated by the TDI in order to consolidate regulatory authority.

This action follows an agreed order of rehabilitation for the Texas-domiciled companies obtained by the Texas Department of Insurance on June 28. Texas Insurance Commissioner Mike Geeslin, acting as Rehabilitator, immediately appointed Prime Tempus, Inc. as the Special Deputy Receiver (SDR). The SDR assumed control of Vesta Fire and its Texas subsidiaries and subsequently made a recommendation that the companies were unable to meet their current obligations. Prior to that determination, the Rehabilitator had been in active negotiations with a potential buyer for certain Vesta insurers, including Texas Select. However, the parties were unable to complete the transaction.

In taking this action, Geeslin noted that it was in the long-term best interests of policyholders.

“My primary goal in this action is to ensure policyholders have insurance that is able to pay their claims should a loss occur,” Geeslin said. “We simply could not allow policyholders and ultimately Texas taxpayers to be at risk given the financial condition of these companies.”

Geeslin noted that concerns with Vesta Fire and its subsidiaries extend group-wide and were not limited to Texas Select and its underlying insurance contracts. Vesta’s problems include a series of losses from hurricanes that drove a long-term need for additional capital. Ultimately, Vesta’s capital raising initiatives were not successful. Similar to the Texas actions, regulators in Hawaii have taken control of another Vesta subsidiary, Hawaiian Insurance & Guaranty Co. Ltd., and Florida regulators have taken control of another affiliate, Florida Select Insurance Company.

Affected policyholders should contact their insurance agents as soon as possible to begin securing new insurance coverage. TDI is also offering Texas policyholders information on available options online and through the Department’s Consumer Assistance phone-line. Policyholders located in other states may request similar assistance from their respective states’ insurance departments. Consumer Assistance specialists may be reached at the **Texas Department’s toll-free number – 1-800-252-3439**. TDI’s websites, **www.tdi.state.tx.us** and **www.helpinsure.com**, have been updated with information to assist consumers during this transition. Other TDI resources on the internet include homeowners price comparison and company and agent “look up” pages to verify that insurance companies, agencies and agents are licensed.



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## **TDI Staff Recommends Action against Amex Assurance Company**

**T****DI ALLEGES** that between June 2003 and March 2006, Amex Assurance Company (“Amex Assurance”) and IDS Property Casualty Insurance Company (“IDS”) failed to notify consumers when Amex Assurance and/or IDS took an action resulting in an adverse effect based in whole or in part on information contained in the consumer’s credit report.

Enforcement Staff has recommended that the Commissioner order Amex Assurance and/or IDS to pay restitution to consumers as well as an administrative penalty of 10% of all restitution or \$25 per applicant or insured who was not provided with the proper adverse effect notification between June 2003 and the present, whichever amount is greater.

Beginning in June 2003, Texas insurers were required to notify consumers when the insurer took an action resulting in an adverse effect based in whole or in part on information contained in the consumer’s credit report. These adverse effect notices allow consumers to evaluate the accuracy of the credit report and correct any errors.

Amex Assurance and IDS began using credit as a personal lines automobile coverage underwriting factor in May 2000 and for rating purposes in December 2005. Amex Assurance and IDS did not send out adverse effect notices to consumers prior to March 2006. However, Amex re-rated all customers using credit scoring in December 2005.

Amex Assurance and IDS claim that they were not required to send adverse effect notices because consumers in the worst credit score band were given the base rate and consumers with better credit were given discounts. However, this discounting program creates an adverse effect because consumers with poor credit ratings get a higher premium rate than those with good credit.

Amex Assurance estimates that over 8,400 Texas consumers were negatively affected by its underwriting and/or credit scoring practices since June 2003. Amex Assurance began retroactively sending adverse effect notices to these consumers beginning in March 2006.

It is unknown how many Texas consumers were negatively affected by IDS’ underwriting and/or credit scoring practices since June 2003.

Amex Assurance and IDS have a right to a hearing on the occurrence of the violations and/or the amount of the penalty.

# **TDInSight**

Contact **TDInSight** at:

Texas Department of Insurance  
**TDInSight** /MC-113-1A  
P.O.Box 149104  
Austin, TX 78714-9104

**512 463-6425**  
**512 463-6461** fax

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**TDInSight**, MC-113-1A,  
P.O.Box 149104  
Austin, TX 78714-9104

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.

# Information Regarding Texas Select Lloyds

## Agent Frequently Asked Questions

**Q: Which companies were placed into receivership?**

Texas Select Lloyds Insurance Company  
Vesta Fire Insurance Corporation  
Vesta Insurance Corporation  
Shelby Casualty Insurance Company  
Shelby Insurance Company

**Q: What is a Special Deputy Receiver?**

**A:** A Special Deputy Receiver (“SDR”) is appointed to administer the receivership. The SDR is Prime Tempus Inc., and the SDR’s website is [www.sdrtx.com](http://www.sdrtx.com).

**Q: What is the difference between rehabilitation and liquidation?**

**A:** Rehabilitation and liquidation are different types of receiverships. In rehabilitation, the SDR continues to pay policy claims, and policies may stay in force. In a liquidation, policies are cancelled, and guaranty associations handle policy claims that are covered by the association.

**Q: Will my unpaid commissions be paid?**

**A:** When an insurance company is placed in liquidation, claims must be paid in accordance with the priorities contained in the Texas Insurance Code. Under Section 21A.301, claims for unpaid commissions are Class 5, and can be paid after the following claims are paid in full:

**Class 1** - Receivership and guaranty association expenses

**Class 2** - Policy claims and guaranty association claim payments

**Class 3** - Claims of the Federal Government

**Class 4** - Employee wage claims, up to \$5,000 or 2 months

The Texas Insurance Code should be consulted for a full description of the priorities.

**Q: How do I file a claim?**

**A:** A claim may be made with the SDR. You will be required to file a proof of claim for the amount you are owed. The SDR will provide you with a claim form and a notice of a filing deadline.

**Q: When will a distribution be made?**

**A:** Section 21A.302 of the Texas Insurance Code permits the SDR to make distributions on approved claims after obtaining approval from the Court. The amount of any distribution depends on the assets available. It often takes years to collect some of the assets, such as reinsurance. As noted above, claims must be

paid according to their classification.

**Q: What if one of the companies in receivership is my only appointment? Will my license be suspended?**

**A:** Your license will remain active even if one of the companies in receivership was your only active appointment. Your license will not expire unless you fail to renew the license at the normal expiration date. You may seek and obtain appointment to represent other insurers at your convenience.

**Q: What do I do with funds owed to one of the companies in receivership?**

**A:** If you control any funds that are due and payable to a company, you are obligated to remit those funds as required under your contract and the Texas Insurance Code.

## Consumer Frequently Asked Questions

**Q: I received a notice of cancellation. What does this mean?**

**A:** As of the effective date shown on the notice, you will no longer have coverage under your insurance policy. Texas Select Lloyds primarily wrote homeowners insurance in Texas. Texas residents should immediately begin shopping for homeowners insurance from another company. Vesta wrote other types of business in other states, and non-Texas residents should also start shopping immediately for replacement coverage for their Vesta insurance.

**Q: I have a claim that hasn’t been paid and the insurance company has become insolvent. Who will pay the claim?**

**A:** If your policy was with a Texas-licensed company, your claim may be payable by the Texas Property & Casualty Insurance Guaranty Association (TPCIGA) once the company is placed in liquidation. TPCIGA is a nonprofit legal association composed of all licensed property and casualty insurers that operate in Texas. TPCIGA pays certain claims of member companies that are insolvent. Money to pay claims comes from an assessment paid by the member companies.

The maximum amount TPCIGA will pay for a claim is \$300,000, or policy limits, and certain other limits and exceptions apply. If you are a resident of another state, check with your agent or your respective state’s guaranty fund for more information.

*Continued on page 4.*





## Texas Select Lloyds FAQs *Continued from page 3*

The insurance companies may also have funds available to pay a pro rata portion of claims that are not paid in full by a guaranty fund. The process for distributing assets on claims that are not covered by a guaranty fund may take a number of years.

**Q: If I have a loss before the effective date of cancellation, will my claim be covered?**

**A:** Possibly. There may be a guaranty fund available to pay all or part of your claim, up to certain limits. If you have homeowners insurance with a Texas-licensed insurance company that becomes insolvent, any claims you filed with the company before the cancellation date may be payable by TPCIGA. Non-Texas residents should check with their agent or their respective state's guaranty fund.

**Q: I paid my premiums in advance and I received a notice of cancellation. Will I receive a premium refund?**

**A:** A guaranty fund may be able to refund all or part of your claim for unearned premium, up to certain limits. If you have homeowners insurance with a Texas-licensed company that becomes insolvent and your policy is canceled, TPCIGA may pay up to \$25,000 for unearned premiums.

If you are a resident of another state, check with your agent or your state's guaranty fund.

**Q: If I'm owed a premium refund, when can I expect to get it?**

**A:** It may be several months before you receive a refund from TPCIGA. The premium refund may not be available to pay for your new coverage.

If you are a resident of another state, check with your agent or your state's guaranty fund for information regarding protection in your state.

**Q: My mortgage company paid my homeowners insurance premiums out of my escrow account. When my insurance policy is canceled, what happens?**

**A:** Your mortgage company may receive notice of the cancellation of your policy and may require you to purchase new homeowners insurance. The mortgage company may receive the refund for unearned premium in several months.

**Q: I am having trouble finding new homeowners coverage. What should I do?**

**A:** Keep shopping. Different companies have different criteria for accepting customers. If you're unable to find a licensed company to insure you, you may be able to get insurance through the Texas FAIR Plan Association. To qualify for coverage through the FAIR Plan, you must have been declined coverage by at least two insurance companies licensed to write and actually writing residential property insurance in Texas, and you must not have received an offer of comparable coverage. For more information, visit the FAIR Plan website, [www.texasfairplan.org](http://www.texasfairplan.org).

**Q: What type of coverage am I required to have?**

**A:** Your mortgage company may require you to have certain types and amounts of coverage. Contact your mortgage company to find out the types and amounts of coverage required for your home.

**Q: What happens if I don't get new coverage before my policy expires?**

**A:** You will not have coverage for any loss that occurs. This means you will have to pay the full cost of repair or replacement of your home or property yourself. If you have a mortgage, the mortgage company may place single-interest insurance coverage on your home. This coverage protects only the mortgage company's interest in your home; it does not provide you with coverage. You will be charged for this coverage.

**Q: When I purchase a new homeowners insurance policy, when will my coverage be effective?**

**A:** The agent or insurance company may issue a 30-day binder. This means that you have coverage on your property for the next 30 days. Please note that the effective date of coverage is listed on the binder. Also, note that insurance companies may take 60 days to "underwrite" your insurance policy. Underwriting allows a carrier to review its unique guidelines for writing insurance policies. The carrier may cancel the insurance policy during this 60-day review period.

If a carrier decides to cancel this new policy, the carrier must provide you a 10-day prior written notice of cancellation. The notice will inform you of the date that the new policy will terminate.

You may file a complaint with the Texas Department of Insurance if you believe that you did not receive appropriate notice of this cancellation.

# In Rules

## Criminal Conduct Proposed Rule: *Fingerprint Requirements*

THE TEXAS DEPARTMENT OF INSURANCE has proposed new amendments concerning the effect of criminal conduct on licenses. The proposal addresses who is subject to the Department's rules regarding the consequences of prior criminal conduct and fraudulent and dishonest activity and establishes a requirement and procedure for obtaining an individual's criminal history information by using the individual's fingerprints. The Department will consider the individual's criminal history information in determining an individual's fitness for licensure or other authorization, including certification, permit, or registration, or for control of an entity holding or seeking a license or other authorization, including a certificate, permit, or registration.

The proposal is necessary to maintain effective regulation of the insurance industry by establishing requirements and procedures to further ensure that persons receiving licensure and authorizations, including the officers, directors, partners, and controlling shareholders of insurance agencies, insurance companies and other regulated entities, are honest, trustworthy, reliable, and fit to hold those positions. The proposal establishes a reasonable procedure and funding mechanism for the Department to obtain necessary information to make those determinations. This proposal does not impose additional requirements or costs on individuals to maintain their current licenses or authorizations and thus should not affect the current license or authorization status of any person who has made a full disclosure of all past criminal conduct.

The Texas statutes applicable to the individuals affected by this proposal require the Department to determine those individuals' fitness for holding a license or authorization, or those individuals' fitness to control an entity holding or seeking a license or authorization. Additionally, the federal Violent Crime Control and Law Enforcement Act of 1994, specifically 18 U. S. C. §§1033 and 1034, prohibits an individual who has ever been convicted of a state or federal felony involving dishonesty or breach of trust from engaging in the business of insurance unless the individual is specifically authorized to do so by an insurance regulatory official.

The Department has determined that the use of criminal history information is the best means to assist the Department in performing this statutory duty.

The Department has consulted with the DPS and determined that fingerprint checks, and in particular electronic fingerprint checks, provide the most effective method of identifying an individual and obtaining that individual's criminal history information. Improvements in electronic fingerprint technology have increased the accuracy of fingerprint capture and substantially reduced the time frame for processing the fingerprint to obtain the criminal history information.

The proposed procedure would require affected individuals to be fingerprinted by an acceptable vendor and pay the associated fingerprint processing fees charged by the DPS and FBI. The individual's fingerprints will either be submitted directly to the DPS, if captured by the DPS electronic vendor, or to the Department and then to the DPS if captured on paper. The associated fingerprint-processing fee charged by the DPS is set by Government Code §411.088(a)(2). The associated fingerprint-processing fee charged by the FBI is set by federal authority and is made known to the Department by the DPS. The Department understands from the DPS that all fingerprints will be processed through both the DPS and FBI. The total costs for fingerprinting and fingerprint processing are in line with, or less than, those costs in other states. For example, California requires a \$76 fee; Florida requires a \$64 fee; and Idaho requires a \$60 fee. Therefore, it is the Department's position that the estimated costs to comply with this proposal, which are estimated to range from \$48.95 to \$56, are not unreasonable or unduly burdensome for an individual seeking a license or authorization. The proposal does not restrict individuals or their sponsors from making arrangements with an acceptable vendor or the DPS to facilitate the fingerprint collection process.

The Department is proposing to implement this fingerprint identification process using both DPS and FBI resources for the following three reasons. The process will prevent indi-



## **In Rules** *Fingerprint Requirements* continued from page 5

viduals with a criminal history in another state from attempting to evade detection by simply moving to Texas. Fingerprint collection by an independent third party vendor allows for independent verification of the identity of the individual being fingerprinted and increases confidence in the review process. Finally, fingerprints are the only method the FBI will accept to produce identity and criminal history information.

The Department anticipates that the proposal will be effective no earlier than 90 days following the date the proposal is adopted by the Commissioner. The Department is requesting input from stakeholders on the most viable effective date. The actual effective date will then be determined following the review and consideration of all comments.

The anticipated public benefit will be a more thorough and comprehensive review of the suitability of individuals seeking to obtain a license or other authorization, including certification, permit, or registration, or to control

an entity holding or seeking a license or other authorization, including a certificate, permit, or registration. This more thorough and comprehensive review will further ensure that each of these individuals, including the officers, directors, partners, and controlling shareholders of insurance agencies, insurance companies and other regulated entities, is honest, trustworthy, reliable, and fit to hold the license or authorization. The total probable economic costs to individuals required to comply with the proposal are estimated to range between \$48.95 and \$56.

Written comment will be accepted through 5:00 p.m. on September 5, 2006. The Commissioner will consider adoption of the proposed amendments and new sections in a public hearing scheduled for September 6, 2006 at 10:00 a.m. in Room 100 of the William P. Hobby Jr. State Office Building, 333 Guadalupe Street in Austin, Texas. Written and oral comments presented at the hearing will also be considered.

## **Unlicensed Company Ordered to Stop Selling Travel Insurance**

The Commissioner of Insurance has issued an emergency cease and desist order against Trip Assured, Inc., which the Department contends has been selling travel insurance in Texas without a license.

The Department contends that Trip Assured, Inc., based in Crossville, Tennessee, has engaged in the business of insurance by soliciting, marketing, selling, administering, executing, and issuing travel insurance policies to Texas residents. However, the company holds no license, certificate, or authorization to practice the business of insurance in Texas. Because the company is unlicensed, there has been no regulatory oversight to ensure lawful policy forms, fair rates, and financial solvency.

Policies written by Trip Assured, Inc. claimed to provide coverage for trip cancellation/interruption, trip cost default protection, lost or stolen baggage, trip delay, flight insurance, evacuation, and airline penalty protection. Since these coverages were not underwritten

by a licensed carrier, Trip Assured, Inc. retained the entire risk of the policies that were written in violation of Texas insurance law.

Even though it is unlicensed, Trip Assured, Inc. is still liable for claims and losses under the terms of the contract, as is any person who directly or indirectly assisted in the procurement of the contract. Consumers who have any problems with Trip Assured, Inc. are advised to call TDI's Consumer Help Line toll-free at 1-800-252-3439 to file a complaint. A complaint may also be filed online from TDI's website, [www.tdi.state.tx.us](http://www.tdi.state.tx.us).

Consumers are encouraged to always check to make sure they are working with a licensed carrier in any insurance transaction. TDI's website includes company and agent "look up" pages that can be checked to verify that insurance companies, agencies and agents are licensed. Consumers may also call TDI's Consumer Help Line to verify licensure over the phone.

# TDI Reaches \$70 Million Settlement Regarding Insurance Sales to Military

**T**HE TEXAS DEPARTMENT OF INSURANCE along with insurance officials in Georgia have successfully negotiated a multistate settlement agreement resolving allegations of improper sales of life insurance products to members of the United States military. Under the agreement 92,000 consumers including 70,000 servicemembers will receive cash or other benefits totaling \$70 million.

Texas and Georgia, together with the U.S. Department of Justice and the U.S. Securities Exchange Commission, lead a 20-month joint investigation into the sales practices of American-Amicable Life Insurance Company of Texas; Pioneer American Insurance Company; and Pioneer Security Life Insurance Company, all based in Waco, Texas. The state regulators and federal agencies claim that the marketing practices targeted young recruits and mislead them into believing they were buying an investment product when in fact they were buying an expensive term life product which was coupled with a side fund and styled the “Wealth Builder” or “Horizon Life.”

Nearly all of these young soldiers already had up to \$250,000 in inexpensive term life insurance provided and partially subsidized by the federal government through Servicemembers’ Group Life Insurance Program. The companies in settling the matter denied any wrongdoing. To date, 41 states, the District of Columbia and Guam have signed on to the agreement.

Concurrently with the multi-state settlement, Patrick L. Meehan, the United States Attorney for the Eastern District of Pennsylvania, and the Securities and Exchange Commission announced separate settlements which provide relief common to that afforded in the State’s agreement.

Under the settlement agreements the Companies have agreed:

- To make cash payments totaling \$10 million to former and current servicemembers who were issued a “Horizon Life” policy from January 1, 2000 through July 28, 2006. Approximately 57,000 servicemembers,

including 10,000 who purchased in Texas, are eligible to receive this relief.

- To increase the cash surrender value for all in-force “Horizon Life” and “Wealth Builder” policies regardless of when the policy was issued or military status. Approximately 53,000 current policyholders will receive this benefit. The total settlement, including the increased policy benefits, is valued at approximately \$70 million.

In addition to economic relief, the Companies have agreed, among other things, to:

- Stop soliciting or selling any insurance product on a military installation for five years.
- Stop selling the Horizon Life product after December 1, 2006.
- Immediately terminate any agent discovered selling company products on a military installation.
- Not accept any insurance application for Army enlisted personnel with the rank of E-1 through E-3 without proof the applicant has been counseled by a superior officer as required by Army regulations.
- Not establish any account or fictitious account in the name of its applicant/insured servicemember at a depository institution for the purpose of receiving funds for the payment of premium or use Treasury Form 1199A (Direct Deposit Sign Up).
- Not offer any gift with a value greater than \$5.00 to any individual who has direct command authority over servicemembers who rank between E-1 and E-4.
- Not participate in or assist with any class, seminar or other training for servicemembers occurring on a military base, installation, or reservation.

The Settlement Agreement can be found on TDI’s website at: [www.tdi.state.tx.us](http://www.tdi.state.tx.us). Consumers who have questions regarding the settlement can call the Companies’ Consumer Service Center at 1-800-736-7311.







# Fraud Unit Prosecutions

## Indictments

**Johnny Mike Kennedy** was sentenced in Dallas County to 60 months deferred adjudication and ordered to pay \$3,000.00 in restitution and a \$1,500.00 fine for Theft, a state jail felony.

**Kennedy** was also sentenced to 60 months deferred adjudication and ordered to pay \$25,000.00 in restitution, a \$1,500.00 fine and serve 160 hours community service for Theft, a 3rd degree felony.

## Case Dispositions

**Linda Capelo-Saenz** was sentenced in Travis County to 36 months deferred adjudication, ordered to serve 180 community service hours, pay \$1,348.45, and ordered to sign a consent to revoke her insurance license with TDI and not to work in the business of insurance during the term of her community supervision for Misapplication of Fiduciary Property, a state jail felony.

**James R. Hicks** was indicted in Travis County for False Statement in a Written Instrument, a 3rd degree felony.

**Janet Harper**, aka Janet Griffin, aka Janet Laverne Cavanaugh, was indicted in Austin for Insurance Fraud, a 3rd degree felony.

**Russell Lane, Jr.** was indicted in Austin for Insurance Fraud, a 3rd degree felony.

**Michele Salazar** was indicted in San Antonio for Insurance Fraud, a state jail felony.

**Stanley Mitchell Mrugalski** was sentenced in Austin to serve six months jail time for Attempted False Statement, a state jail felony.

**Juanita Corona** was sentenced in Austin to 36 months deferred adjudication, ordered to serve 120 hours of community service and ordered not to accept employment in the insurance business for Attempted False Statement in a Written Instrument, a state jail felony.

## InDiscipline

NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
<b>Barton Abstract &amp; Title Company, Inc. dba Elliott &amp; Waldron/Shelby County Title</b>	Center	Failed to timely remit title insurance policy guaranty fees	\$2,200 fine	060489	06/15/06
<b>BCS Insurance Company; World Access Service Corp.</b>	Oakbrook Terrace, IL; Richmond, VA	Used unapproved policy forms and endorsements; Distributed misleading advertising material; World Access Service Corp. used an unregistered trade name	\$25,000 fine	060528	05/26/06
<b>Boston, Lori Jane</b>	Amarillo	Failed to comply with continuing education requirements	\$600 fine; Must complete 30 hours of continuing education	060356	04/13/06
<b>Burcham, Brian Nolan</b>	Dallas	Failed to comply with continuing education requirements	\$1,500 fine	060371	04/17/06
<b>Carswell, Kevin Andrew</b>	Tyler	Failed to comply with continuing education requirements	\$500 fine; Must complete 30 hours of continuing education	060380	04/18/06
<b>Colonial Title Company, LLC</b>	Athens	Failed to timely remit title insurance policy guaranty fees	\$5,000 fine	060396	04/21/06
<b>Cordova, Hugo</b>	Brownsville	Failed to comply with continuing education requirements	\$1,500 fine	060420	05/01/06
<b>Crouch, Robert M.</b>	Sunnyvale	Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	General Property and Casualty License revoked	060490	05/15/06
<b>Davila, Eladio Moreno</b>	McAllen	Failed to comply with continuing education requirements	\$750 fine	060530	05/31/06
<b>Davis, Steven Thomas</b>	Baytown	Felony conviction directly related to the business of insurance	Property and Casualty Adjuster License for Steven Davis shall be issued and placed on probation for 2 years	060402	04/24/06



NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
<b>Day, Daniel Patrick</b>	Fort Worth	Felony conviction	Adjuster Property and Casualty License revoked	060473	05/12/06
<b>Deleon, Ricky</b>	Amarillo	Failed to comply with continuing education requirements	\$1,450 fine; Must complete 30 hours of continuing education	060357	04/13/06
<b>Diaz, Carlos</b>	Laredo	Failed to comply with continuing education requirements	\$1,500 fine	060424	05/01/06
<b>Dimmit County Land Title Company</b>	Carrizo Springs	Failed to timely remit title insurance policy guaranty fees	\$3,300 fine	060372	04/17/06
<b>Dominguez, Roxanne</b>	Laredo	Engaged in fraudulent or dishonest acts or practices; Made a material misrepresentation on a license application	Limited Lines License denied	060349	04/12/06
<b>Dorough, Lasonia</b>	Houston	Allegedly misappropriated or converted money belonging to an insurer or insured; Allegedly engaged in fraudulent or dishonest acts or practices	\$12,500 fine; Must complete 15 hours of continuing education	060341	04/07/06
<b>Duose, Jeffrey Harlan</b>	New Braunfels	Failed to comply with continuing education requirements	\$1,500 fine	060491	05/15/06
<b>Ellis, Herbert Wayne</b>	Arlington	Allegedly engaged in fraudulent or dishonest acts or practices	Must surrender General Life, Accident, and Health License	060508	05/18/06
<b>Fuentes, Patrick</b>	Ingleside	Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	\$1,500 fine and \$600 restitution	060418	04/28/06
<b>Funeral Directors Life Insurance Company</b>	Abilene	Race based pricing	Consent Order	060499	05/17/06
<b>Gaines, Harold N.</b>	Dallas	Failed to comply with continuing education requirements	\$1,500 fine	060531	05/31/06
<b>Gibbs Armstrong Borochoff Mullican &amp; Hart, PC</b>	Tulsa, OK	Taught a continuing education course without a valid certificate	\$2,400 fine	060423	05/01/06
<b>Gill, John Dale</b>	Wichita Falls	Failed to comply with continuing education requirements	\$650 fine; Must complete 30 hours of continuing education	060476	05/12/06
<b>Glover, Wendy Ronea</b>	Keller	Made a material misrepresentation on a license application; Engaged in fraudulent or dishonest acts or practices	General Life, Accident, and Health License denied	060329	04/04/06
<b>Golf Marketing Worlwide, LLC; Kolenda, Kevin; Kirchof, Tim</b>	Norwalk, CT	Unauthorized insurance	\$100,000 fine; Cease and Desist	060383	04/18/06
<b>Great Plains Abstract &amp; Title Company</b>	Pampa	Failed to timely remit title insurance policy guaranty fees	\$3,150 fine	060373	04/17/06
<b>Hall, Patrick</b>	Houston	Failed to comply with Commissioner's Order	General Life, Accident, and Health License revoked, payment of restitution and administrative penalty	060381	04/18/06
<b>Harper, Kim Lynette</b>	DeSoto	Acted as an escrow officer without a proper license	\$20,000 fine and restitution; Cease and Desist Order	060404	04/25/06
<b>Holguin, Michelle</b>	Laredo	Engaged in fraudulent or dishonest acts or practices; Felony conviction	Insurance Service Representative License application denied	060375	04/18/06
<b>Liberty Title Company, LLC</b>	Rockwall	Failed to timely remit title insurance policy guaranty fees; Failed to timely provide annual escrow audit reports	\$7,900 fine	060397	04/21/06
<b>Matson, Driscoll &amp; Damico, LLP</b>	Richardson	Taught a continuing education course without a valid provider registration	\$2,400 fine	060353	04/13/06
<b>McGowan, Thomas Bernard III</b>	Bay Village, OH	Failed to timely file required Annual Agent Reports	\$1,000 fine	060450	05/09/06



# InDiscipline

NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
<b>Munster, James Herman II;</b> <b>National Association of Retired</b> <b>Persons, Inc.;</b> <b>The Business Store, Inc.</b>	San Antonio	Engaged in fraudulent or dishonest acts or practices in the sale of annuities to the elderly	General Life, Accident and Health License held by James Herman Munster II revoked; Corporate General Life, Accident and Health Agency Licenses held by National Association of Retired Persons, Inc. and The Business Store, Inc. revoked	060374	04/18/06
<b>Murphy, Harold</b>	Celina	Failed to comply with continuing education requirements	\$1,150 fine	060421	05/01/06
<b>Myers, Charles R.</b>	San Antonio	Acted as an agent without appointment by an authorized insurance company	\$5,000 fine	060501	05/18/06
<b>Nanninga, Thomas Edward</b>	Austin	Failed to show cause why the revocation of his previous agent licenses should not be deemed a bar to the issuance of a new license	General Property and Casualty License denied	060325	04/03/06
<b>Neergaard, Dan Nielsen</b>	Cleburne	Engaged in fraudulent or dishonest acts or practices; Committed a felony involving moral turpitude	General Life, Accident and Health License revoked	060471	05/12/06
<b>Nolan, William Floyd</b>	Gainesville	Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	General Property and Casualty License revoked	060474	05/12/06
<b>Northshore Title, Inc.</b>	Portland	Failed to timely remit title insurance policy guaranty fees	\$5,500 fine	060517	05/22/06
<b>Rahim, Arif</b>	Missouri City	Acted as an agent for unauthorized entities	\$7,500 fine subject to a dollar-for-dollar reduction by restitution to \$2,000	060403	04/25/06
<b>Rawlings, George Phil</b>	Houston	Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	\$11,742 restitution; Limited Lines License and General Life, Accident and Health License revoked	060451	05/09/06
<b>Renaissance Title, LLC</b>	Allen	Failed to comply with Commissioner's Order	Title Insurance Agent's License revoked	060461	05/10/06
<b>Ross, Chanda Celeste</b>	Forney	Failed to comply with continuing education requirements	\$975 fine; Must complete 30 hours of continuing education	060509	05/18/06
<b>Rutherford, Kerry Anne</b>	Jacksonville, FL	Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	Insurance Adjuster License revoked	060533	05/31/06
<b>Sanchez, Robert</b>	Garland	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 30 hours of continuing education	060522	05/24/06
<b>Scott, Sean Lee</b>	San Antonio	Failed to comply with continuing education requirements	\$1500 fine; License suspension	060475	05/12/06
<b>Simpson, Carlos Jay</b>	Lancaster	Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	General Life, Accident and Health License revoked	060355	04/13/06
<b>Slovak, Johnny</b>	Houston	Failed to comply with continuing education requirements	\$1,500 fine; License suspension	060452	05/09/06
<b>Smith, Richard Sydney</b>	College Station	Acted as an agent for unauthorized entity	\$33,000 fine subject to a dollar-for-dollar reduction by restitution to \$3,000	060510	05/18/06
<b>Stevens, Wesley Royce</b>	San Antonio	Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	\$ 75,000 fine subject to a dollar-for-dollar reduction by restitution to \$50,000; General Life, Accident and Health License and General Property and Casualty License revoked	060500	05/18/06
<b>Stewart Title of Texarkana</b>	Texarkana	Failed to timely provide annual escrow audit report	\$6,000 fine	060398	04/21/06

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<b>Strahan, Bruce B. Jr.</b>	Colleyville	Engaged in fraudulent or dishonest acts or practices	General Life, Accident and Health License revoked	060434	05/05/06
<b>Texas Premier Roofing; Nelson Morales</b>	Pasadena	Acted as a public insurance adjuster without a license	Cease and Desist	060492	05/15/06
<b>Texas Title Assurance, L.L.C.</b>	San Antonio	Failed to timely provide annual escrow audit report	\$5,000 fine	060399	04/21/06
<b>Travelers Property Casualty Insurance Company</b>	Hartford, CT	Failed to timely file required experience rating data	\$5,000 fine	060532	05/31/06
<b>Van Wagoner Companies, Inc.</b>	Plano	Taught a continuing education course without a valid certificate	\$2,000 fine	060502	05/18/06
<b>Vidal, Claudia Gariela</b>	Dallas	Failed to comply with continuing education requirements	\$1,500 fine; Adjuster License suspended for one year:	060401	04/21/06
<b>Webb County Title &amp; Abstract Company, Inc.</b>	of Laredo	Failed to timely remit title insurance policy guaranty fees; Failed to timely file annual statistical report	\$17,800 fine	060400	04/21/06
<b>Whitlock, Johnnie Mae</b>	Houston	Engaged in fraudulent or dishonest acts or practices; Acted as an agent for unauthorized entity	\$1,500 fine subject to a dollar-for-dollar reduction by restitution to \$500	060523	05/24/06
<b>Wittenberg, Marc Stephan</b>	Dallas	Acted as an agent for unauthorized entities	\$17,500 fine subject to a dollar-for-dollar reduction by restitution to \$4,500	060518	05/22/06
<b>Wixson, Howard D., III</b>	Colleyville	Failed to comply with continuing education requirements	\$500 fine; Must complete 30 hours of continuing education	060422	05/01/06
<b>Wright, Leslie Kent</b>	Snyder	Failed to comply with Commissioner's Order	General Life, Accident, and Health License revoked	060472	05/12/06

# InLicensing

<b>New Companies</b>	LOCATION	LINE	DATE LICENSED
<b>Cenpatico Behavioral Health of Texas, Inc. - HMO</b>	Austin, TX	HMO	02/07/06
<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
<b>Shelby Insurance Company, The</b>	Chicago, IL	Property & Casualty	05/12/06
<b>BMI Benefits, L.L.C. - TPA</b>	Matawan, NJ	Third Party Administrator	05/15/06
<b>Magnabenefits Soklutions, Inc. - TPA</b>	Grand Rapids, MI	Third Party Administrator	05/15/06
<b>Online Insurance Services, Inc. - TPA</b>	Orange Park, FL	Third Party Administrator	05/15/06
<b>American Southern Home Insurance Company</b>	Jacksonville, FL	Property & Casualty	05/22/06
<b>Catastrophe Reinsurance Company</b>	San Antonio, TX	Property & Casualty	05/31/06
<b>GBS Administrators, Inc. - TPA</b>	Olympia, WA	Third Party Administrator	05/31/06
<b>National Vision Administrators, L.L.C., DBA E-NVA, L.L.C. - TPA</b>	Clifton, NJ	Third Party Administrator	05/31/06
<b>Process One TPA, L.L.C. - TPA</b>	Garland, TX	Third Party Administrator	05/31/06

# Name Changes

COMPANY NAME	LOCATION	CHANGED TO	DATE OF CHANGE
<b>Academic Health Professionals Insurance Association</b>	New York, NY	<b>Academic Health Professionals Insurance Association - A Reciprocal Insurer</b>	04/07/06
<b>Amicus Mutual Insurance Company</b>	Baton Rouge, LA	<b>Stonetrust Commercial Insurance Company, cvt from Mutual Prop &amp; Cas to a Stock Casualty Company</b>	04/07/06
<b>Highmark Life Insurance Company</b>	Pittsburgh, PA	<b>HM Life Insurance Company</b>	04/11/06
<b>Monumental General Casualty Company</b>	Baltimore, MD	<b>Work First Casualty Company, Elkton, MD</b>	04/13/06
<b>Texas Burial Life Insurance Company</b>	San Antonio, TX	<b>First American Life Insurance Company, Austin, TX</b>	04/20/06
<b>Central National Life Insurance Company of Omaha, The</b>	Wilmington, DE	<b>Renaissance Life &amp; Health Insurance Company of America</b>	04/26/06
<b>Dallas National Insurance Company</b>	Dallas, TX	<b>Corrected order &amp; C/A for name to be Dallas National Insurance Company, A Texas Stock Insurance Company</b>	05/18/06
<b>PCA Property &amp; Casualty Insurance Company</b>	Longwood, FL	<b>Providence Property &amp; Casualty Insurance Company, Oklahoma City, Oklahoma (Charter Amendment)</b>	05/10/06
<b>Augustine &amp; Associates Insurance Agency, Inc., DBA Process One TPA - TPA</b>	Garland, TX	<b>Removed DBA Name Process One TPA</b>	05/15/06
<b>Flex Company of America, Inc., The - TPA</b>	Brookfield, WI	<b>Processworks, Inc.</b>	05/15/06
<b>Scrip Solutions, LLC - TPA</b>	Wilmington, DE	<b>Bioscrip PMB Services, LLC</b>	05/15/06
<b>Travelers Insurance Company, The</b>	Hartford, CT	<b>Metlife Insurance Company of Connecticut</b>	05/16/06



## Texas Department of Insurance

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