



A Year of Change at the Texas Department of Insurance

THE MOST VISIBLE CHANGE at the Texas Department of Insurance over the past year has been the incorporation of the Division of Workers' Compensation at TDI. The 79th Legislature abolished the former Texas Workers' Compensation Commission and assigned most of its duties of administering the workers' compensation system in Texas to TDI. But there have been a number of other significant changes at the Department of Insurance that will impact how the public and the industry interact with one of the state's largest regulatory agencies.

Director of Public Affairs

David Durden, the former Director of Government Relations, is now the Associate Commissioner of Public Affairs. Durden will still have close ties to the Government Relations Division but his responsibilities have been expanded to include working with the Public Information Office, Consumer Protection and any special projects to coordinate the agency's external communications. Durden says the goal is to develop clear consistent messaging with the public and ensure an accessible point of communication for outside interests.

"We can always do a better job of coordinating communication as an agency," said Durden, "having someone responsible for making sure that we are not working at cross purposes and eliminating any conflicting messages will help hold the agency more accountable."

Government Relations

Carol Cates, the former Assistant Director of Government Relations and Commissioner's Ombudsman, takes over as Director of the Government Relations Division. Cates will serve as the lead liaison with the Texas Legislature as well as other Texas elected leaders, including the Texas Delegation of Congress. The Government Relations Division's primary duty is to serve as a resource for lawmakers developing new legislation that could impact the *Texas Insurance Code*. Cates and her staff will offer input to the state leadership about pro-

posed measures to help ensure that any new legislation accomplishes the intended goals and does not conflict with existing law.

During off session years the Government Relations Division is responsible for providing the Legislature with a Biennial Report that includes recommendations for needed changes in the law to effectively regulate the insurance industry. In addition, Government Relations also makes sure that Legislators are informed about what the agency is doing on a day to day basis, especially regarding any new or unusual regulatory actions.

Commissioner's Ombudsman

Sylvia Myler, Consumer Liaison for the Government Relations Division, since 2003, is now also the Commissioner's Ombudsman for TDI. Myler's job is to assist members of the public with any unusual or difficult issues that may require extra attention or more technical assistance. "A typical caller may need immediate attention for some reason, such as a critical medical situation or the loss of their home," says Myler. "We try to go that extra mile and work with the individual and the insurer to make sure they get the help they need as soon as possible." Inquiries and complaints to the Ombudsman originate from Consumer Protection, Government Relations or directly from the Commissioner's Office.

Health Care Provider Ombudsman

Jennifer Ahrens, TDI's Associate Commissioner for Life, Health & Licensing, adds to her plate assuming the duties of the Health Care Provider



Continued on page 2

InSideInSight



Health Insurance, What Would Work in Texas?	4
Data Mining and Pattern Recognition	5

A Year of Change

continued from page 1

Ombudsman for TDI. The Health Care Provider Ombudsman position was formerly held by Audrey Selden, Senior Associate Commissioner of TDI's Consumer Protection division. The provider ombudsman program was developed to address the issue of prompt payment for medical insurance claims. Under Selden's direction, the program has set the standard for excellence in prompt payment of claims. Ahrens will assist health care providers in their dealings with insurance carriers and expedite resolution of provider complaints. Another function of the Health Care Provider Ombudsman is to analyze complaint data for patterns or particularly serious violations that may require corrective action.

Workers' Compensation Research Group

Amy Lee, Director of TDI's Workers' Compensation Research and Evaluation Group in the Property and Casualty Division, now reports directly to the Commissioner of Insurance. Lee and her staff are evaluating the implementation of House Bill 7 that brought the duties of the former Texas Workers' Compensation Commission to TDI, as well as examining various workers' compensation issues in Texas. The Research and Evaluation Group is developing criteria to evaluate the new workers' compensation health care delivery networks and will publish an annual network report card as required by the legislation.

New Enforcement Division

The TDI Division formerly known as Legal and Compliance has been split into two separate entities, the Enforcement Division and Legal Services. The change was made to better reflect the dual roles found within the Legal Division. Senior Associate Commissioner Sara Waitt now heads up the Legal Services Division, which drafts rules and provides legal advice and support to the agency.

Associate Commissioner Catherine Reyer leads the new Enforcement Division. Enforcement investigates and takes disciplinary action against licensed and unlicensed individuals and entities for violations of the *Texas Insurance Code* and the *Texas Labor Code* as it pertains to the workers' compensation system.

The New TDI

All of the personnel changes made over the past 12 months are designed to improve efficiency and modernize the Texas Department of Insurance. The business of insurance is one of the most dynamic industry sectors in Texas and around the world, and our regulation must adapt to keep pace with the changes.

TDInSight

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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.



Consumer Protection Recovers Record \$56 Million for Texans

MORE THAN \$56 MILLION was returned to Texas consumers during the past year as a result of actions by the Consumer Protection Division of TDI, a record amount for the agency. The money came from premium refunds and additional claim payments to consumers that were recovered through TDI investigations of complaints against insurers and agents. TDI's Consumer Protection staff resolved more than 24,000 insurance complaints last year.

More than 1,800 of those complaints and \$26.9 million in payments were related to insurance claims from Hurricane Rita, which struck the Texas coast on September 24, 2005. Rita followed close on the heels of Hurricane Katrina, which struck neighboring Louisiana on August 29, 2005. TDI sent close to 300 staff members to areas affected by the two storms. Working in teams, TDI staff volunteered at Disaster Recovery Centers to provide direct, one-on-one assistance and information to people affected by the storms. Disaster volunteers also delivered water and ice to those without power, answered inquiries via TDI's toll-free Consumer Help Line, developed Internet resource pages, resolved disaster-related insurance complaints,

inspected property damage, conducted educational outreach events, and joined staff from state and federal agencies at the State Operations Center.

In addition, two teams of TDI volunteers from Consumer Protection were dispatched to work at the Louisiana insurance department in February and March to assist Louisiana consumers with outstanding complaints and insurance problems arising from Hurricane Katrina.

"The Consumer Protection Division is the leading edge of our disaster response efforts," said Insurance Commissioner Mike Geeslin. "They can hit the ground running when a special situation arises and deal with a multitude of issues and problems. They represent the very best in public service and apply that same dedication to meeting the needs of consumers year-round."

Consumers may contact TDI's Consumer Protection Division through the agency's Consumer Help Line at 1-800-252-3439. Phone lines are staffed from 8 a.m. to 5 p.m. Central Time, Monday through Friday. Consumer information and publications are also available on the TDI website at <http://www.tdi.state.tx.us>.

TDI Deputy Commissioner Matt Ray Receives National Award

FOR THE SECOND YEAR IN A ROW TDI's Licensing Division has been recognized for its outstanding performance by the Securities and Insurance Licensing Association (SILA). The professional organization named TDI's Deputy Commissioner of Licensing Matt Ray as its Financial Services Regulator of the Year.

Ray was selected as the recipient of the Warren E. Spruill Regulator Recognition Award for 2006 at SILA's National Education Conference in Florida earlier this year. The award recognizes a state insurance licensing director who demonstrates a special ability and outstanding performance in promoting better regulatory processes, efficiencies and better relationships between the regulator and the industry.

As one of the nominating parties noted: "The

efficiency and speed of the Texas Department of Insurance Licensing Department under Ray's direction should serve as an example for other state regulators."

"I am honored to receive this award and of course, I am very proud of the work of the entire Licensing Division," said Ray. "I believe the hard work of the Licensing staff is making a difference for Texas and the industry is recognizing that work with this award."

In 2005, TDI's Licensing Division received the inaugural award for being the Best Regulatory Unit of the Year from SILA.



Health Insurance for the Working Uninsured: What Would Work in Texas?

WITH MORE THAN 5.5 MILLION PEOPLE in the state without health insurance, Texas has the highest uninsured rate in the country. The demographics of this population and contributing factors to this statistic have been explored extensively by the Department with funding from the federal Health Resources and Services Administration State Planning Grant. Research under the grant found that most uninsured Texans are employed or live in a family with at least one full-time employee, often working for a small business. At the same time, many small employers do not offer their employees health insurance, primarily, as the study found, because they cannot afford it. Most of these employers state that they could, however, afford \$100 or less a month per employee for premiums.

There is no single answer to the state's uninsured situation. Further, insurance is one piece of a larger puzzle of paying for health care. It is with this situation in mind that TDI is considering strategies to develop a product that would reach this segment of the population—the working uninsured. This article will describe a variety of approaches, including efforts from several other states, which could work in concert or independently. It is intended to prompt a discussion about ideas that would work for Texans. As you read this article, we invite you to think about approaches or products that would enable more small employers and their employees to purchase health insurance for themselves and their families.

Reinsurance – Healthy New York

New York uses reinsurance to support a product specially designed for its small employer market. The Healthy New York reinsurance product offers participating carriers a buffer against unanticipated claims, supports small-group coverage, and improves individual access to coverage. In New York, HMOs must participate in the reinsurance system, all others are voluntary.

The Healthy New York reinsurance system assumes a portion of the high-cost claims associated with its small-employer pool. New York's reinsurance feature offers individual stop loss coverage for claims that fall in a corridor between \$5,000 to \$75,000. The reinsurance system reimburses the carrier up to 90 percent of the claims that fall in the corridor, retrospective-

In addition to providing a single point of access to health insurance for small employers and sole proprietors, the pool could offer other benefits as well.

ly. Claims that exceed \$75,000 are the responsibility of the carrier, which encourages the carrier to manage the enrollee's care.

Most states with successful reinsurance systems require participation, however, in some states, subsidies act as incentives for carriers to participate. Texas' reinsurance system has experienced difficulties in recent years as a result of low participation. To enhance its success, the state would have to consider new strategies, such as expanded participation through enticement or mandate. Reinsurance by itself is unlikely to have a significant impact on expanding coverage to the working uninsured; however as an adjunct to other products, it could further lower premiums.

The Massachusetts Connector

Employers typically work through an agent or broker when purchasing health coverages. However, some employers and individuals prefer to pursue coverage through other means. In Massachusetts, the concept being utilized is the Massachusetts Commonwealth Health Insurance Connector, a new pool for people who do not currently have access to employer-sponsored health insurance coverage.

The connector method is one possible approach but it should be evaluated further as the Massachusetts concept develops. It is still important to work on portability issues in this type of plan. Additionally, it is vital that agents remain an integral part of any new process that brings coverage to those who are currently uncovered.

Expanding the Houston State Planning Grant Pilot

Texas could also expand the efforts of the State Planning Grant and its past five years of work studying the uninsured, which resulted in a pilot project in Houston and its surrounding area to make insurance available to small employers and their employees. The Houston pilot will offer

Continued on Page 5

Health Insurance for the Working Uninsured

continued from page 4

two benefit plans. To contain costs, one offers limited benefits and the other caps overall dollar amounts for coverage. Both plans were designed by an actuarial firm and premiums are based on modified community rating, including age and gender, but not health status.

To provide the plans to employers, the Department will contract with carriers to offer these plan designs. Although not yet tested in the Houston market, the Department anticipates success based on interest expressed by employers and their employees through focus groups and surveys conducted in that market. In focus groups of small employers looking at

the plan prototypes, most employers and their employees indicated that they would purchase one of the plans for themselves and their families.

This article does not address the multitude of details (both large and small) to be considered in implementing any of these ideas, rather its purpose is to generate discussion. No simple solution exists to expand health care coverage to the many Texans who go without, but we must start somewhere. We hope you will consider these ideas and share some of your own with the Department as we examine strategies for covering the working uninsured.



Data Mining and Pattern Recognition— The Next Generation of Risk Classification

What is Data Mining and Pattern Recognition?

Data mining is the collection of non-traditional data for correlation with characteristics found in risk events to create risk classifications for insurance rating purposes. The combined processes of data mining and pattern recognition, or the search for previously unknown correlations, has received more attention lately, especially as its use has become more widespread in insurance. Insurers deploy the process to detect fraudulent claims, identify subrogation opportunities, and improve marketing effectiveness. It is the coupling of data mining - the search for data - and the emerging pattern recognition technology - using data to detect future losses - that is generating a number of policy issues.

Risk Classification

Insurers classify customers into groups whose members share common characteristics. Different risk classes are accordingly charged different rates depending on their predicted losses. Risk classification ensures compliance with state rating laws that require rates to be fair and commensurate with risk.

Prior to the advent of information technology, these groupings were broad and few in number because the administrative costs of implementing more precise risk-predicting categories exceeded the potential gains from increased sales and decreased claims.

As the data-related technology has evolved and become more cost-effective, greater refinement in risk classification is not only economically viable, but inevitable, because companies cannot afford to be adversely selected against.

As recently as the late 1990's, most auto insurers restricted their basic classifications to age, gender, marital status, location and type and use of vehicle.

Adverse Selection and Technological Arms Race

Adverse selection occurs when the forces of competition move risk so that an insurance company finds itself insuring only the highest and most unpredictable risks, though not intentionally. More simply, market forces “select” who will insure the most adverse risks by allowing the better risks to flow to the companies that have the better prices. This situation is analogous to a professional sports team paying higher salaries to attract the best athletes with proven abilities, leaving the other teams with players whose skill and performance levels are unknown.

While consumers consider many factors when purchasing insurance, price is a dominant factor. Moreover, change in price can be a dominant factor, too. For instance, a person might be content with the amount they are currently paying, but when the rate is increased significantly at renewal, the amount of change pressures many

Continued on page 6



Data Mining Risk Classification *Continued from page 5*

consumers to shop for a better rate. Hence, when one company changes prices, other companies begin taking defensive positions to protect against adverse selection and keep their best customers, usually by adopting similar rating structures. This cycle is nearly endless, since insurers will be forced to pursue more refined classifications as long as the benefits of doing so exceed the costs. However, as previously noted, the marginal costs of technology are decreasing, thus spawning a cycle of exponential refinement. Dr. Robert P. Hartwig, then serving as chief economist for the Insurance Information Institute, once observed, "...the industry is engaged in what amounts to a technological arms race."

Future Impact

What is currently under development is the next generation technology for risk prediction. There

At the end point, rating systems will become so refined that each individual is effectively self-insuring, and "insurance" will have morphed into a form of self-financing.

are two impacts likely to arise in the next few years.

As mega-data and hyper-tiering of risks are tested and imple-

mented in markets, the risk transfer mechanism may be reduced. Many individuals will effectively be self-insuring. The result is that insurance will morph into a form of self-financing. In this instance, premiums for some may become prohibitively expensive, further exacerbating any disproportionate impact among many groups of risks. In these instances, an analysis of the classifications must be taken to make sure the risk classifications are appropriate and accurately represent true risk classifications. After all, insurance is still a business of sharing risk.

Another issue is the availability of property insurance in emerging urban markets. In such markets, the risks are so varied that the broad, homogeneous rating and tier placement methods better suited to the suburbs do not always work. To address this issue, The Urban Insurance Partners Institute is undertaking a study to identify data from non-traditional sources that may serve as an antidote to broad, non-traditional risk rating variables, such as credit scoring. By gathering and tracking data generated from utility and rental payments, check cashing transactions and other non-traditional sources, it is hoped by the Institute that patterns can be detected that neutralize the adverse effects of credit scoring and allow lower rates.

What Should Be Done?

Accurate classification of risks is both efficient and fair in that it improves loss prevention incentives and makes the right people bear the cost of the risks they voluntarily choose to take. Further, it could create markets for risks that were previously under served. However, caution needs to be exercised that any new factors considered have a direct causal connection to the risks represented.

While the development of data mining and pattern-recognition may be cause for concern, these phenomena should not be condemned out of hand simply because we do not fully understand the results they will produce. A key message is that the industry must be mindful of the possible adverse legal and social implications of this process, and must be prepared to demonstrate that its use of technologies and new rating classifications are accurate and accurately portray direct causal connections.

Society's reaction is usually manifested through its legislative bodies. There is a need for industry visionaries to open a dialogue with legislators and the public over how these tools are to be used, as well as the beneficial effect of their proper use. Industry should be open to acknowledging the possibly harmful results of improper use as well. The regulatory challenge is to avoid any sudden or extreme changes that could have potential extreme economic implications. As benefits to previously underserved areas are explored, care is required to observe and properly measure the application of the various tools to assure proper and accurate application. Such measured steps will permit a gradual and reasonable application of risk at levels to minimize policyholder shock. With time to understand and react, policymakers will be better able to set the law on a course that is right for the times that lie ahead, while allowing the markets to address problems of importance to the public.

Fraud Unit Prosecutions

Brenda Abrams pled no contest in Galveston on 7/10/06 to Insurance Fraud, a class A misdemeanor. Abrams received 6 months deferred adjudication.

Nelda Verdean Adams and **Uranas Chevron Williams** each pled guilty in Houston on 7/30/06 to Insurance Fraud, a state felony. Adams and Williams were each sentenced to 2 days in the Harris County Jail and fined \$500.00.

Jennifer Lee Grammar received 48 months deferred adjudication in Austin, Travis County on 7/31/06 for misapplication of fiduciary property, a state jail felony. Grammar was ordered to pay \$3,763 in restitution to Farmers Insurance, serve 150 community service hours and is ordered not to do business with any insurance company while on probation.

Juan Jose Guerrero pled guilty in Austin on 5/7/06 to Securing Execution of a Document by Deception, a Class A misdemeanor. Guerrero was sentenced to 2 years deferred adjudication, fined \$500.00 and ordered to repay \$10,000.00 in restitution (\$8,500.00 of which was paid up front).

Cole Landry pled guilty in Beaumont on 7/31/06 to Insurance Fraud, a state jail felony. Landry was sentenced to 3 years deferred adjudication, 400 hours community service and ordered to repay \$4,500 in restitution.

Samuel Liopesky pled guilty in San Antonio on 5/1/06 to Insurance Fraud, a 3rd degree felony. Liopesky was sentenced to 5 years deferred adjudication, 320 hours community service and fined \$1,793. Restitution amount is to be determined.

Monique Malony pled guilty in Belton to Insurance Fraud, a Class A Misdemeanor. Malony was sentenced to one year deferred adjudication and fined \$750.00.

Salvador Matehuala pled guilty in Dallas on 8/28/06 to Insurance Fraud, a state jail felony. Matehuala was sentenced to two years deferred adjudication, fined \$1,500.00 and ordered to pay \$8,909.69 in restitution.

William Thomas Merryman pled guilty in Austin, Travis County on 8/25/06 for Tampering with a Governmental Record, a Class A Misdemeanor. Merryman received 24 months probation, must serve 80 hours community service and is ordered to pay a \$750 fine and not seek employment in the insurance business.

Thomas Otis Naron IV pled guilty in Conroe on 9/8/06 to Insurance Fraud, a state jail felony. Naron was sentenced to three years deferred adjudication, 120 hours community service, fined \$1,500 and must also repay \$1,678.46 in restitution.

Kevin Whittle Phillips pled guilty in Tyler, to theft, a third degree felony. Phillips was sentenced to 10 years probation, 160 hours community service and fined \$6,000.

Andrea Ramirez pled guilty in Houston, to Insurance Fraud, a state jail felony. Ramirez was sentenced to one month confinement in the county jail.

Daniel Keith Reed pled guilty in Conroe on 7/6/06 to Attempted Insurance Fraud, a Class A misdemeanor. Reed was sentenced to 2 years deferred adjudication, 80 hours community service and fined \$1,000.

Sandra Shields pled guilty in Dallas, to Misapplication of Fiduciary Property, a Class A misdemeanor. Shields was sentenced to one year deferred adjudication and fined \$2,000 and also repaid \$21,577 in restitution.

Michael D. Shambaugh, received 120 months deferred adjudication in Austin, Travis County on 9/8/06 for Misapplication of Fiduciary Property, a 3rd degree felony. Shambaugh must serve 250 community service hours, pay \$44,245.89 in restitution and is ordered not to have contact with the victims.

Ryan Heath Simmons pled guilty on 6/26/06 in Emory to Insurance Fraud, a state jail felony. Simmons was sentenced to two years deferred adjudication, fined \$1,500 and ordered to pay \$7,946.77 in restitution.

Jennifer Smith pled guilty in Austin on 8/25/06 for Attempted False Statement in a Written Instrument, a state jail felony. Smith must serve 12 months in the Texas State Jail Facility.

Erica Rhena Tyrone pled guilty in Houston on 5/11/06 to Attempted Insurance Fraud, a Class A misdemeanor. Tyrone was sentenced to 2 years probation, 160 hours community service and fined \$50.

Judy Whitley was placed on Pre-Trial Diversion for 12 months and paid full restitution to Blue Cross Blue Shield of Texas in the amount of \$6,758 in Wilson County.





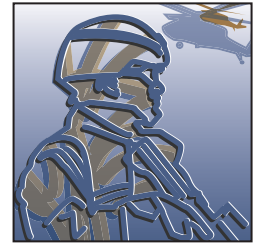
News Briefs

Data Vendor Selected for Auto Insurance Verification Program

The Texas Department of Insurance (TDI), serving as lead agency in a joint project with the Texas Department of Public Safety (DPS), the Texas Department of Transportation (TxDOT), and the Texas Department of Information Resources (DIR), announced the signing of a contract with HDI Solutions, Inc. to implement a motor vehicle financial responsibility verification program. The verification program, which will enable law enforcement officers to quickly and accurately verify a driver's required auto insurance coverage, was mandated by Senate Bill 1670 in the 79th Texas Legislature.

This is the beginning of an ongoing process where the ultimate goal is to reduce the number of uninsured drivers. Under the contract, the system will undergo testing before being fully implemented.

HDI Solutions and its partners TransCore L.P., Insure-Rite, Inc., and Verification Solutions have developed similar database programs in other parts of the country. The initial term of the contract is two years for a total amount of approximately \$6 million.



Life Insurer Refunds Premiums To Armed Forces Members

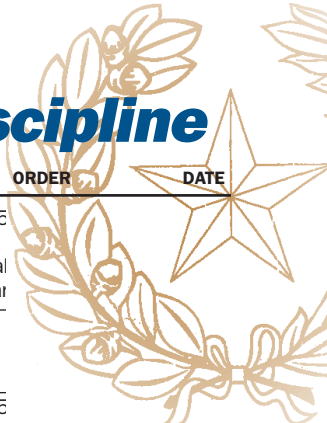
Boston Mutual Life Insurance Company has refunded a total of \$427,529.57 to 1,784 members of the United States Armed Services who bought life insurance policies between Jan. 1, 2002 and April 30, 2005. The refunds include \$157,560.30 refunded to 594 Texas military personnel.

The refunds stem from a Multi-State Regulatory Settlement Agreement between Boston Mutual Life Insurance Company, the Texas Department of Insurance (TDI), the Massachusetts Division of Insurance, and the Georgia Department of Insurance. The agreement was signed in June.

The settlement is a result of the TDI's ongoing investigation into improper sales of life insurance to military personnel. In late 2004, TDI investigators learned that several Boston Mutual agents were soliciting and selling life insurance to low-ranking Army personnel in the Fort Hood area by misrepresenting the insurance as a savings or investment plan. This activity led to the multi-state examination of Boston Mutual's sales to military personnel.

Under the terms of the settlement, Boston Mutual, without admitting fault, agreed to make full refunds to all former military policyholders whose policies were in-force beginning Jan. 1, 2002 through April 30, 2005 and who subsequently lapsed or surrendered their policies within the 12 months following policy issuance. Boston Mutual further agreed to a broad array of corrective actions affecting the company's sales methods, complaint handling and agent monitoring.

Earlier this year, the Texas and Georgia insurance departments reached a settlement with American-Amicable Life Insurance Company of Texas, Pioneer American Life Insurance Company and Pioneer Security Life Insurance Company over similar issues. Refunds to policyholders in that settlement are in process.



NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
Alaniz, Rolando	Mission	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 15 hours of continuing education; General Life, Accident and Health License suspended for one year		
Allen, Burt G.	Amarillo	Failed to comply with continuing education requirements	\$750 fine; Must complete 30 hours of continuing education		
Ayala, Miguel A.	San Antonio	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 15 hours of continuing education; General Life Accident and Health License and General Property and Casualty License suspended for one year		
Barger, Glenn Ray	Fairfield	Misappropriated or converted money belonging to an insurer or insured; Engaged in fraudulent or dishonest acts or practices	General Life, Accident and Health License revoked	060896	08/29/06
Bartula, Larry Robert	Fort Worth	Failed to comply with continuing education requirements	\$1,500 fine; General Life, Accident and Health License suspended for one year	060932	09/01/06
Battle, Cristina Margarita	Houston	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 30 hours of continuing education	060952	09/08/06
Baughn, Terri Lynn	Eules	Engaged in fraudulent or dishonest acts or practices; Misdemeanor offense	General Property and Casualty License application denied	060978	09/15/06
Beck , Dorothy Sue	Trinity	Failed to comply with continuing education requirements	\$1,000 fine	060934	09/01/06
Bottom, Elliott Brent	Corpus Christi	Failed to comply with continuing education requirements	\$1,000 fine	060887	08/28/06
Bush, Ladonna Kaye	Arlington	Misappropriated or converted money belonging to an insurer or insured; Engaged in fraudulent or dishonest acts or practices	General Life, Accident, and Health License and General Property and Casualty License revoked	060996	09/22/06
Cabrera, Manuel	Brownsville	Felony conviction	General Life, Accident and Health License suspended	060940	09/07/06
Caring Communities Insurance Company	Cayman Islands, B.W.I.	Unauthorized insurance	\$7,500 fine	060868	08/21/06
Currey Title Company, Inc.	Crockett	Failed to timely file Annual	\$7,400 fine	060863	08/21/06
De La Cruz, Rosalinda	Edinburg	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 30 hours of continuing education; General Life, Accident, and Health License suspended	060931	09/01/06
Deep South Surplus of Texas, L.P.	Southlake	Allegedly failed to file required information with TDI	\$75,000 fine	060998	09/22/06
Desai, Chirag Anil	Sugar Land	Failed to comply with continuing education requirements	\$1,000 fine; Must complete 30 hours of continuing education	061069	09/29/06
Doby, Floyd Milton	Houston	Engaged in fraudulent or dishonest acts or practices; Misappropriated or converted money belonging to an insurer or insured	\$1,500 fine; General Life Accident and Health License and County Mutual License revoked	061071	09/29/06
Dumas, Albert	Houston	Failed to comply with continuing education requirements	\$3,000 fine; General Life, Accident and Health License suspended	060949	09/08/06
Escobedo, Able Jr.	Austin	Failed to comply with continuing education requirements	\$1,450 fine; General Life, Accident and Health License suspended; Must complete 30 hours of continuing education	060958	09/13/06

NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
Frisbie, Mark Troy	Keller	Failed to comply with continuing education requirements Trust Account Audit Reports	\$550 fine; Must complete 30 hours of continuing education	060953	09/08/06
Farm & Ranch Healthcare, Inc.; John Mills	Fort Worth	Utilized improper sales training methods	\$47,500 fine each	060889	08/28/06
Homestead Title Company, Inc.	Crowell	Failed to timely remit title insurance policy guaranty fees	\$1,600 fine	060864	08/21/06
Jimenez, Maria G. (Lupita)	Corpus Christi	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 30 hours of continuing education	060865	08/21/06
Joseph, Shontise	Houston	Allegedly engaged in fraudulent or dishonest acts or practices	Suspension of General Life, Accident and Health License; Resitution; Must complete 15 hours of continuing education	060878	08/24/06
McColley, Charles	San Antonio	Deferred adjudication for an offense directly related to the business of insurance	General Property and Casualty License shall be issued and placed on probation for one year	060881	08/25/06
McNair, Debora Anita	Humble	Failed to comply with Commissioner's Order	Limited Lines License revoked	060869	08/21/06
Millsap, Christopher Lee	Rockwell	Misdemeanor offense directly related to the business of insurance	Insurance Adjuster Lisence shall be issued and placed on probated suspension	060888	08/28/06
Northamerican Sureties, LTD.	Reno, Nevada	Unauthorized insurance	\$100,000 fine; Cease and Desist order	060827	08/07/06
Runnels County Title Company	Ballinger	Failed to timely remit title insurance policy guaranty fees	\$1,700 fine	060826	08/07/06
Superior Abstract and Title, LLC	Frisco	Failed to timely remit title insurance policy guaranty fees	\$1,800 fine	060866	08/21/06
Wintergarden Abstract and Guaranty Company, Inc.	Pearsall	Failed to timely remit title insurance policy guaranty fees	\$1,900 fine	060867	08/21/06
Garrett, Lois Ann	Baytown	Failed to comply with continuing education requirements	\$750 fine	060925	09/01/06
Garrett, Robert J. Jr.	Tyler	Failed to comply with continuing education requirements	\$3,000 fine; General Life, Accident and Health License suspended	060950	09/08/06
Gordon, Darrell	Missouri City	Failed to comply with continuing education requirements	\$2,900 fine	060926	09/01/06
Guarantee Title	Wichita Falls	Failed to timely remit title insurance policy guaranty fees	\$6,000 fine	060927	09/01/06
Gulamali, Feroz	Sugarland	Third Degree Felony charges	General Lines Property and Casualty Agent License granted conditionally	061066	09/29/06
Home Life Financial Assurance Corp.	Piscataway, NJ	Failed to timely file required report; Failed to timely respond to requests for information from TDI	\$5,000 fine; URA Certification suspended for 1 year	060947	09/08/06
Jacobs, Brian Russell	Lubbock	Felony offense	General Lines Property and Casualty License and Life Accident and Health Agent's License denied	061067	09/29/06
Johnson, Jackey	Plano; Seagoville	Engaged in fraudulent or dishonest acts or practices; Felony conviction	General Property and Casualty License revoked	060991	09/22/06
Lary, Mike Robert; Texas National Title, Inc.	Leander; Cedar Park	Allegedly charged for a policy in a transaction and withheld issuance of a policy; Allegedly failed to timely respond to requests for information from TDI	\$5,000 fine	060929	09/01/06
Middlebrook Title Company	Burleson	Failed to timely file an Annual Trust Account Audit Report	\$1,000 fine	060999	09/22/06

NAME	CITY	VIOLATION	ACTION TAKEN	ORDER	DATE
Miot, Charles C.	Wake Village	Failed to comply with continuing education requirements	\$550 fine; Must complete 30 hours of continuing education	060957	09/13/06
Montenegro, Fabian	Houston	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 30 hours of continuing education; General Property and Casualty License suspended for 1 year	060945	09/08/06
Moreno, Cory Dan	Azle	Failed to comply with continuing education requirements	\$1,500 fine; Must complete 30 hours of continuing education	060933	09/01/06
Newbold, Aaron Craig	Winnsboro	Felony offense	Adjuster Trainee certificate granted and suspended for a period of 8 years	060944	09/08/06
Novus Management Systems, Inc.	Houston	Failed to file required report; Failed to timely respond to requests for information from TDI	\$5,000 fine; URA Certification suspended for 1 year	060948	09/08/06
Roberts, Inga P.	Dallas	Felony offenses directly related to the business of insurance	General Lines Property and Casualty Insurance Agent License denied	061065	09/29/06
Ruiz, Jesse Edward	McAllen	Failed to comply with continuing education requirements	\$1,500 fine	060928	09/01/06
Texas State Title	Houston	Failed to timely provide an annual escow audit report	\$5,000 fine	060954	09/08/06
Trueba, Jaime	Helotes	Failed to comply with continuing education requirements	\$1,500 fine	060951	09/08/06
Wadley, Ronda	Springtown	Misappropriated or converted money belonging to an insurer or insured; Engaged in fraudulent or dishonest acts or practices	\$20,000 fine; Restitution; Escrow Officer License revoked	060946	09/08/06
Will Rogers Texas Title, LLC	Flower Mound	Failed to timely provide an annual trust fund account audit report	\$4,200 fine	061000	09/22/06
Williams, Steven Burch	Killeen	Misappropriated or converted money belonging to an insurer or insured; Engaged in fraudulent or dishonest acts or practices	\$50,000 fine; \$308,121 Restitution; General Life, Accident and Health License revoked	060936	9/5/2006
Womack, Morris Mark	Plano	Criminal conduct	Insurance Adjuster License issued with a 2 year probation	061064	09/29/06

InLicensing

New Companies	LOCATION	LINE	DATE LICENSED
Ameriprise Insurance Company	De Pere, WI	Property & Casualty	07/21/06
Safe Auto Insurance Company	Columbus, OH	Property & Casualty	07/21/06
EDS Administrative Services, LLC - TPA	Wilmington, DE	Third Party Administrator	07/25/06
Universal Health Care Insurance Company, Inc.	St. Petersburg, FL	Life & Health	08/17/06
Weyco, Inc. - TPA	Okemos, MI	Third Party Administrator	08/31/06
United Guaranty Commercial Insurance Company of North Carolina	Greensboro, NC	Property & Casualty	09/15/06
First Guaranty Insurance Company	Ashdown, AR	Life & Health	09/26/06
Humana Health Plan, Inc. - TPA	Frankfort, KY	Third Party Administrator	09/28/06
Medicus Insurance Company	Austin, TX	Property & Casualty	09/28/06
Silverscript Insurance Company	Nashville, TN	Life & Health	09/28/06

Name Changes

COMPANY NAME	LOCATION	CHANGED TO	DATE OF CHANGE
Insurance Corporation of Hannover	Itasca, IL	Praetorian Insurance Company	07/05/06
Progressive Home Insurance Company	Mayfield Village, OH	Progressive Advanced Insurance Company	07/05/06
American Indemnity Company	Galveston, TX	Catlin Insurance Company, INC., Houston, TX	07/21/06
Phoenix National Insurance Company	Cincinnati, OH	MOLINA HEALTHCARE Insurance Company, Columbus, OH	07/21/06
Travelers Life and Annuity Company, The	Hartford, CT	Metlife Life and Annuity Company of Connecticut	07/21/06
NGL American Life Insurance Company	Madison, WI	Settlers Life Insurance Company	08/28/06
Mid-South Insurance Company	Omaha, NE	World Corp Insurance Company	08/29/06
Benefit Planners Limited, L.L.P. - TPA	Boerne, TX	Added DBA Fiserv Health - Benefit Planners	08/31/06
Benesight, Inc. - TPA	Dover, DE	Added DBA Fiserv Health - Benesight	08/31/06
Harrington Benefit Services, Inc. - TPA	Wilmington, DE	Added DBA Fiserv Health - Harrington	08/31/06
Progeny Marketing Innovations, Inc. - TPA	Wilmington, DE	Affinion Benefits Group, Inc.	08/31/06
Wausau Benefits, Inc. - TPA	Wausau, WI	Fiserv Health Plan Administrators, Inc., DBA Fiserv Health - Wausau Benefits, Wilmington, DE	08/31/06
Texas Healthspring I, LLC	Houston, TX	Texas Healthspring, LLC	09/15/06
International Business & Mercantile Reassurance Company	Chicago, IL	Old Republic General Insurance Corporation	09/22/06
Great Texas County Mutual Insurance Company	Dallas, TX	Infinity County Mutual Insurance Company	09/26/06
Owens-Brumley Funeral Insurance Company	Wichita Falls, TX	Texas Memorial Life Insurance Company, Austin, TX	09/26/06
Group Administrators-San Antonio, Inc. - TPA	San Antonio, TX	Verity National Group, Inc.	09/28/06
Starmount Financial Corporation, Inc. - TPA	Baton Rouge, LA	Alwayscare Bebefits, Inc.	09/28/06
World Access Service Corp. - TPA	Richmond, VA	Added DBA Access America	09/28/06



Texas Department of Insurance

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