

No. **2021-7004**

**Official Order  
of the  
Texas Commissioner of Insurance**

**Date: 09/30/2021**

**Subject Considered:**

Unitrin Direct Property & Casualty Company  
200 E Randolph St., Ste 3300  
Chicago, IL 60601-6509

Consent Order  
TDI Enforcement File No. 25506

**General remarks and official action taken:**

This is a consent order with Unitrin Direct Property & Casualty Company (Unitrin Direct). Unitrin Direct failed to timely file for approval by the commissioner a policy form containing the provisions related to coverage for an insured's legal liability for bodily injury and property damage and for damage to a temporary vehicle. Unitrin Direct agrees to pay a \$7,500 administrative penalty.

**Waiver**

Unitrin Direct acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Unitrin Direct waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

**Findings of Fact**

1. Unitrin Direct is a fire and casualty insurance company holding a certificate of authority to transact business in the state of Texas.
2. In 2019, the Texas Legislature passed House Bill 3420 (86 R.S.), which added Insurance Code § 1952.060. This statute is applicable to all personal automobile

policies delivered, issued for delivery, and renewed on and after January 1, 2020. Under Insurance Code § 1952.060, insurers' personal automobile insurance policies in Texas must contain a provision and provide coverage for an insured's legal liability for bodily injury and property damage and for damage to a temporary vehicle. These coverages must be primary and not excess coverage.


3. On January 27, 2020, TDI issued Bulletin #B-0002-20 to all insurers writing personal automobile insurance in Texas advising them to revise and file their policies to comply with the temporary vehicle coverage provisions in House Bill 3420.
4. Following the Bulletin, TDI staff reached out to Unitrin Direct several times related to its failure to file the required policy form.
5. Unitrin Direct represents that it has been adjusting claims in compliance with Insurance Code § 1952.060. Additionally, Unitrin Direct represents it has not issued any new personal automobile policies since January 1, 2020.
6. Unitrin Direct made a form filing on July 27, 2021. Unitrin Direct represents it issued 246 renewal policies since January 1, 2020.

### **Conclusions of Law**

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051 – 82.055, 84.021 – 84.044, and 801.051-801.053.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. Unitrin Direct has knowingly and voluntarily waived all procedural rights to which it may have been entitled regarding the entry of this order, including, but not limited to, issuance and service of notice of intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Unitrin Direct violated TEX. INS. CODE § 1952.060 by using a personal automobile policy form without the required provision.

### Order

It is ordered that Unitrin Direct must pay an administrative penalty of \$7,500 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

DocuSigned by:  
  
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Cassie Brown  
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner  
Enforcement Division



Mandy Meesey, Associate Commissioner  
Enforcement Division

**Affidavit**

STATE OF Georgia §

§

COUNTY OF Fulton §

Before me, the undersigned authority, personally appeared Gary Buhmeyer who being by me duly sworn, deposed as follows:

"My name is Gary Buhmeyer. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

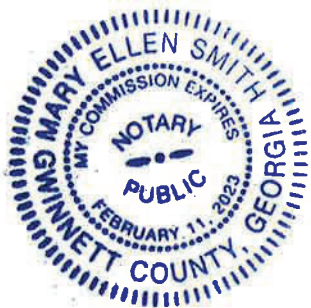
I hold the office of Vice President and am the authorized representative of Unitrin Direct Property & Casualty Company. I am duly authorized by said organization to execute this statement.

Unitrin Direct Property & Casualty Company has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

  
Affiant

SWORN TO AND SUBSCRIBED before me on September 22 2021.

(NOTARY SEAL)



Mary Ellen Smith  
Signature of Notary Public

Mary Ellen Smith  
Printed Name of Notary Public