

No. **2021-7017**

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

**Date: 10/11/2021**

**Subject Considered:**

MGA Insurance Company, Inc.  
PO Box 199023  
Dallas, Texas 75219-9023

Consent Order  
TDI Enforcement File No. 25416

**General remarks and official action taken:**

This is a consent order with MGA Insurance Company, Inc. (MGA Insurance). MGA Insurance 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. MGA Insurance agrees to pay a \$75,000 administrative penalty.

**Waiver**

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

**Findings of Fact**

1. MGA Insurance 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

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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 MGA Insurance several times related to its failure to file the required policy form.
5. MGA Insurance represents that it has been adjusting claims in compliance with Insurance Code § 1952.060.
6. MGA Insurance originally made a form filing on May 28, 2021, which included the required provision. That form filing also included extensive other changes to the policy form and was withdrawn. MGA Insurance made another, more limited, form filing in August 2021.
7. MGA Insurance issued more than 123,000 policies between January 1, 2020, and June 2021.

## 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. MGA Insurance 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.


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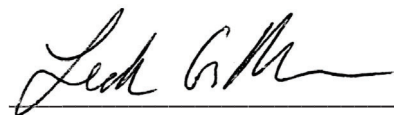
4. MGA Insurance violated TEX. INS. CODE § 1952.060 by using a personal automobile policy form without the required provision.

## Order

It is ordered that MGA Insurance must pay an administrative penalty of \$75,000 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 Meeseey, Associate Commissioner  
Enforcement Division

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Affidavit

STATE OF Texas §

COUNTY OF Dallas §

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

"My name is Kevin Williams, 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 AVP, Product & Underwriting and am the authorized representative of  
MGA Insurance Company, Inc. I am duly authorized by said organization to execute this  
statement.

MGA Insurance Company, Inc. 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."

K. Williams  
Affiant

SWORN TO AND SUBSCRIBED before me on September 23, 2021.

(NOTARY SEAL)



Kara Durden  
Signature of Notary Public

Kara Durden  
Printed Name of Notary Public