

No. **2021-6864**

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

Date: 06/10/2021

Subject Considered:

Adela Patricia Escalon
[REDACTED]
Houston, Texas 77081-2304

Consent Order
TDI Enforcement File No. 17853

General remarks and official action taken:

This is a consent order with Adela Patricia Escalon (Escalon). The department alleges that Escalon hired two people to work in her office and they misappropriated premiums. Escalon agrees to a probated suspension of her agent license for two years pursuant to the terms and conditions stated in this order, and to pay a \$500 administrative penalty.

Waiver

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

Findings of Fact

1. Escalon, individual identification number 1517830, holds a limited lines agent license issued by the Texas Department of Insurance on June 27, 2017.
2. In August of 2018, Escalon hired two people to run her insurance office because of a medical condition that prevented her from working. Neither of these employees were licensed agents.

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3. For approximately three weeks, from August 17, 2018, through September 8, 2018, these two employees collected \$6,877.61 in cash payments for insurance premiums from Escalon's clients. The premiums were not forwarded to the insurance companies, primarily Southern General Agency, Inc., dba SGA – Auto (SGA), and Redpoint County Mutual Insurance Company (Redpoint).
4. Escalon discovered the misappropriation upon her return to work and promptly fired the employees.
5. SGA filed a complaint with the department and paid Redpoint the premiums it was owed for the coverage, so none of Escalon's clients had their policies canceled.
6. Escalon has repaid SGA the \$6,877.61 it paid to Redpoint.

Conclusions of Law

The commissioner makes the following conclusions of law:

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.001-82.056, 84.021-84.022, 4005.101-4005.105, and 4051.101, and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has the authority to dispose of this case informally pursuant to the provisions of TEX. GOV'T CODE § 2001.056, TEX. INS. CODE § 82.055, and 28 TEX. ADMIN. CODE § 1.47.
3. Escalon has knowingly and voluntarily waived all procedural rights to which she 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. Escalon committed acts for which a license holder may be disciplined under TEX. INS. CODE §§ 4005.101(b)(4)-(5), as contemplated by TEX. INS. CODE § 4005.102.

Order

It is ordered that Adela Patricia Escalon pay an administrative penalty of \$500 within 30 days from the date of this order. The administrative penalty must be paid by cashier's

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check or money order made payable to the "State of Texas" and transmitted to the Texas Department of Insurance, Attn: Enforcement, Division 60851, AO-9999, P.O. Box 12030, Austin, Texas 78711-2030.

It is ordered that Adela Patricia Escalon's limited lines agent license is suspended for two years. The suspension is probated pursuant to the terms and conditions stated in this order.

If, during the probation period imposed by this order, the department issues any additional licenses or authorizations to Escalon, those additional licenses or authorizations will be suspended until the probation period imposed by this order has ended. The suspension shall be probated, and the same terms and conditions stated in this order will apply.

Within 30 days from the date of this order, Escalon must provide a copy of this order to any existing employer, appointing company, agency, or sponsor. Escalon must provide the department with a copy of the notification within 30 days from the date of this order by emailing it to EnforcementReports@tdi.texas.gov.

Beginning from the date of this order and continuing through the probation period, Escalon must provide a copy of this order to any new employer, appointing company, agency, or sponsor. Escalon must provide the department with a copy of the notification within 30 days of any new appointment or sponsorship by emailing it to EnforcementReports@tdi.texas.gov.

Beginning from the date of this order and continuing through the probation period, Escalon must file a written report, on or before the 15th day of each month on a quarterly basis for the months of June, September, December, and March with the Texas Department of Insurance by emailing it to EnforcementReports@tdi.texas.gov. The reports must include the following information:

- a. Escalon's current email address, mailing address, and telephone number;
- b. the name, mailing address, and telephone number of Escalon's employer, and if Escalon is self-employed, a statement that she is self-employed and the name, mailing address, and telephone number of her business;
- c. if Escalon is self-employed, a list of the name, mailing address, and telephone number of every employee working for her or her business;

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- d. the name and address of any insurer which has appointed Escalon as an agent;
- e. the name and address of any insurer which has canceled Escalon's appointment as an agent; and
- f. a copy of any and all contracts Escalon has entered into with an insurer, broker, managing general agent, managing general agency, or any person or entity in the business of insurance.

Escalon must notify the department immediately of the following by emailing EnforcementReports@tdi.texas.gov:

- a. any charges or indictments filed against her for a misdemeanor or felony during the period she is required to file reports, excluding traffic offenses and Class C misdemeanors;
- b. any state or regulatory actions taken against her including formal and informal actions;
- c. any change in her employment or residence; and
- d. any complaint made against Escalon concerning her performance as an agent, as well as a written explanation detailing the steps taken to resolve it.

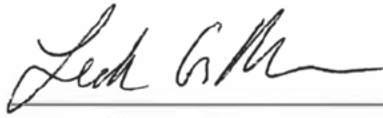
Commissioner of Insurance

By:  C77A87C8C21B435.....

Doug Slape
Chief Deputy Commissioner
TEX. GOV'T CODE § 601.002
Commissioner's Order No. 2018-5528

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Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Enforcement Division

/s/ Patrick Quigley

Patrick Quigley, Staff Attorney
Enforcement Division

Affidavit

STATE OF TEXAS §
§
COUNTY OF Harris §

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

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

I am waiving rights provided by the Texas Insurance Code and other applicable law and acknowledge the jurisdiction of the commissioner.

I am voluntarily entering into this consent order. I consent to the issuance and service of this consent order."

Adela P. Escalon
Affiant

SWORN TO AND SUBSCRIBED before me on May 27, 2021.

[Signature]
Signature of Notary Public

