

No. **2020-6548**

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

Date: 11/09/2020

Subjects Considered:

Redpoint County Mutual Insurance Company
13215 Bee Cave Pkwy., Ste. B240
Austin, Texas 78738-0064

Chisum General Agency, Inc.
PO Box 12480
Alexandria, Louisiana 71315-2480

Drive Texas General Agency LLC
2850 Lake Vista Dr., Ste. 150
Lewisville, Texas 75067-4297

Go Maps Inc.
95 Federal St., Ste. B
San Francisco, California 94107-1497

Consent Order
TDI Enforcement File Nos. 22608, 22616, 22609, and 22612

General remarks and official action taken:

This is a consent order with Redpoint County Mutual Insurance Company (Redpoint) and its managing general agents, Chisum General Agency, Inc. (Chisum), Drive Texas General Agency LLC (Drive Texas), and Go Maps Inc. (Go Maps), collectively, the MGAs. Redpoint and the MGAs failed to file with the department their rules and fees for the recoupment of state motor vehicle crime prevention authority fees from policyholders. They have collectively agreed to pay a penalty totalling \$34,500.

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Waiver

Redpoint and the MGAs acknowledge that the Texas Insurance Code and other applicable law provide certain rights. Redpoint and the MGAs waive all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order. Pursuant to TEX. INS. CODE § 82.055(b), Redpoint and the MGAs agree to this consent order with the express reservation that they do not admit to a violation of the Texas Insurance Code or of a rule and that the existence of a violation is in dispute.

Findings of Fact

Licensure and Appointments

1. Redpoint is a domestic county mutual insurance company currently holding a certificate of authority to transact business in Texas.
2. Chisum has held an MGA license with the department under firm identification number 119277 since April 19, 2016. On May 19, 2016, the department approved Chisum's use of the assumed name, Southern General Agency.
3. Drive Texas has held an MGA license since November 12, 2018, under firm identification number 148483.
4. Go Maps has held a general lines agency license with a property and casualty qualification with the department since June 7, 2016, under firm identification number 121567. Go Maps has also held an MGA license since September 10, 2018.
5. Redpoint and the MGAs do not have common or affiliated ownership.
6. The MGAs are appointed to write business for Redpoint and began writing automobile insurance for Redpoint on the following dates: Chisum began writing personal auto in June 2016; Drive Texas began writing commercial auto in August 2019; and, Go Maps began writing personal auto in October 2018.

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Background on the ABTPA/MVCPA fee

7. Before September 1, 2019, the Automobile Burglary and Theft Prevention Authority (ABTPA) was statutorily authorized to collect a fee of \$2 per motor vehicle each year from each insurer.
8. The state increased this fee from \$2 to \$4 for automobile insurance policies delivered, issued, or renewed on or after September 1, 2019. H.B. 2048 (86th R.S.)
9. The state also changed the name of the ABTPA to the Motor Vehicle Crime Prevention Authority (MVCPA) and moved the statutory language for the MVCPA to the Transportation Code. S.B. 604 (86th R.S.)
10. Texas law allows an insurer to recoup the fee from policyholders if it is properly disclosed to each policyholder in the policy, and if the insurer has submitted a rate and rule filing with the amount of the fee collected from policyholders.
11. All insurers are required to file certain rating information, including fees, manuals, and supplementary rating information, under Texas law. These filings must include fees and amounts other than premium collected by an insurer in connection with a policy, such as ABTPA and MVCPA fees.

Failure to Disclose Fee Recoupment

12. During the following time periods, the MGAs recouped both the ABTPA and MVCPA fees from policyholders without having any rules or fees on file disclosing to the department the recoupment of these fees:

	From:	To:
Chisum	June 2016	September 10, 2019
Drive Texas	August 2019	September 6, 2019
Go Maps	October 2018	September 6, 2019

13. The MGAs have each since filed an updated rate and rule filing for their automobile insurance business written on behalf of Redpoint that describes their recoupment of the MVCPA fees. Chisum's filing became effective September 10, 2019, and the separate filings for Drive Texas and Go Maps each became effective September 6, 2019.

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14. Redpoint and the MGAs self-reported these issues to the department and represent they disclosed the recoupment of these fees to their policyholders as part of their policies.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051 – 82.055, 84.021 – 84.044, 801.051-801.053, 912.002, 912.101 – 912.152, 4005.101, 4051.051, and 4053.151.
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. Redpoint and the MGAs have knowingly and voluntarily waived all procedural rights to which they 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. Redpoint and the MGAs violated 28 TEX. ADMIN. CODE § 5.9334(b), by failing to file with the department their rules and fees for the recoupment of the \$2 ABTPA fee or \$4 MVCPA fee from policyholders per motor vehicle each year.

Order

It is ordered that Redpoint County Mutual Insurance Company and the MGAs must pay an administrative penalty totalling \$34,500 within 30 days from the date of this order. The penalty is assessed as follows:

- Redpoint and Chisum General Agency, Inc. must jointly and severally pay \$25,000;
- Redpoint and Drive Texas General Agency LLC must jointly and severally pay \$1,500; and
- Redpoint and Go Maps Inc. must jointly and severally pay \$8,000.

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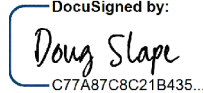
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The administrative penalties must be paid by cashier's check or money order made payable to the "State of Texas" and transmitted to the Texas Department of Insurance, Attn: Enforcement, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.

Commissioner of Insurance

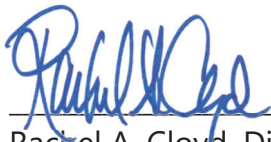
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Doug Slape
Chief Deputy Commissioner
TEX. GOV'T CODE § 601.002
Commissioner's Order No. 2018-5528

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Enforcement Division



Rachel A. Cloyd, Director
Enforcement Division

Affidavit

STATE OF TEXAS §
§
COUNTY OF TRAVIS §

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

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

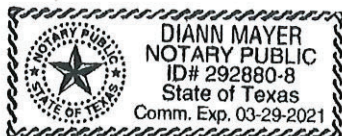
I hold the office of General Counsel and am the authorized representative of Redpoint County Mutual Insurance Company. I am duly authorized by said organization to execute this statement.

Redpoint County Mutual Insurance 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."

A. G. Halbrook
Affiant

SWORN TO AND SUBSCRIBED before me on October 21, 2020.

(NOTARY SEAL)



Diann Mayer
Signature of Notary Public

Diann Mayer
Printed Name of Notary Public

Affidavit


STATE OF CALIFORNIA §
 LOS §
COUNTY OF ANGELES §

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

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

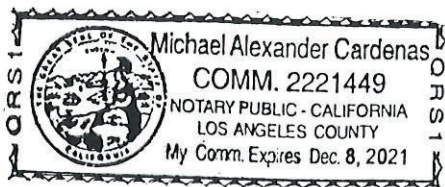
I hold the office of President and am the authorized representative of Go Maps Inc. I am duly authorized by said organization to execute this statement.

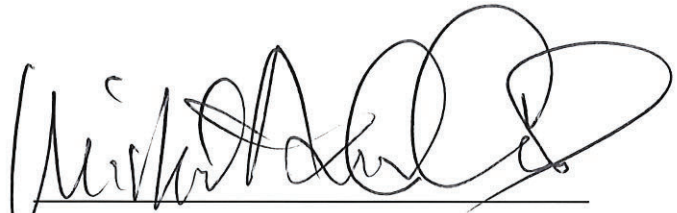
Go Maps Inc. has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."


Affiant

SWORN TO AND SUBSCRIBED before me on October 22, 2020.

(NOTARY SEAL)




Signature of Notary Public

MICHAEL ALEXANDER CARDENAS
Printed Name of Notary Public

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Los Angeles

On October 22, 2020 before me, Michael Alexander Cardenas, Notary Public
(insert name and title of the officer)

personally appeared Kevin Adam Pomplun
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) ~~is/are~~
subscribed to the ~~within instrument and acknowledged to me that he/she/they executed the same in~~
~~his/her/their~~ authorized capacity(ies), and that by ~~his/her/their~~ signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Handwritten Signature]

(Seal)

