

No. **2021-6981**

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

Date: 09/07/2021

Subjects Considered:

Hartford Insurance Company of the Midwest
Twin City Fire Insurance Company
Hartford Accident and Indemnity Company
Hartford Casualty Insurance Company
Hartford Underwriters Insurance Company
Hartford Fire Insurance Company
One Hartford Plaza T 17 81
Hartford, CT 06155

Consent Order

TDI Enforcement File Nos. 25470, 25471, 25472, 25473, 25474, 25475, 27370

General remarks and official action taken:

This is a consent order with Hartford Insurance Company of the Midwest, Twin City Fire Insurance Company, Hartford Accident and Indemnity Company, Hartford Casualty Insurance Company, Hartford Underwriters Insurance Company, Hartford Fire Insurance Company (collectively, the "Hartford Companies"). The Hartford Companies 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. Hartford Accident and Indemnity Company also used a credit scoring model without filing it with the department. The Hartford Companies agree to pay a \$120,000 administrative penalty.

Waiver

The Hartford Companies acknowledge that the Texas Insurance Code and other applicable law provide certain rights. The Hartford Companies waive all of these rights,

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and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

1. The Hartford Companies are all fire and casualty insurance companies holding a certificate of authority to transact business in the state of Texas.

Form Filings

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 the Hartford Companies several times related to their failure to file the required policy forms.
5. The Hartford Companies represent that they have been adjusting claims in compliance with Insurance Code § 1952.060.
6. The Hartford Companies made a form filing on May 13, 2021. The Hartford Companies issued more than 17,000 policies between January 1, 2020, and the date of the form filing.

Credit Scoring Model

7. On July 19, 2019 Hartford Accident and Indemnity Company made a rate/rule filing with the department. In that filing, the company stated they would be using a new credit scoring model for its homeowners business.

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8. On September 24, 2020, Hartford Accident and Indemnity Company filed the credit scoring model referenced in its July 2019 rate/rule filing and confirmed it had been in use since August 10, 2019.

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. The Hartford Companies 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. The Hartford Companies violated TEX. INS. CODE § 1952.060 by using a personal automobile policy form without the required provision.
5. Hartford Accident and Indemnity Company violated TEX. INS. CODE § 559.151 and 28 TEX. ADMIN. CODE § 5.9352 by using a credit scoring model not filed with the department.

Order

It is ordered that the Hartford Companies must pay, jointly and severally, an administrative penalty of \$120,000 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.

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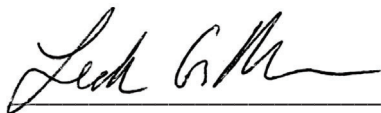
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Commissioner of Insurance

DocuSigned by:

By: C77A87C8C21B435...
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



Mandy Meesey, Associate Commissioner
Enforcement Division

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Affidavit

STATE OF CONNECTICUT §
§ Durham
COUNTY OF MIDDLESEX §

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

"My name is Colleen Pernerewski. 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 Chief Compliance Officer and am the authorized representative of Hartford Insurance Company of the Midwest. I am duly authorized by said organization to execute this statement.


Hartford Insurance Company of the Midwest 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."

DocuSigned by:
Colleen Pernerewski
73FE153B92F54A9...

Affiant

SWORN TO AND SUBSCRIBED before me on August 31, 2021.

(NOTARY SEAL)

Tracey L. Alfano


Signature of Notary Public

Printed Name of Notary Public

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Affidavit

**STATE OF CONNECTICUT §
§ DURHAM
COUNTY OF MIDDLESEX §**

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

"My name is Colleen Pernerewski. 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 Chief Compliance Officer and am the authorized representative of Twin City Fire Insurance Company. I am duly authorized by said organization to execute this statement.

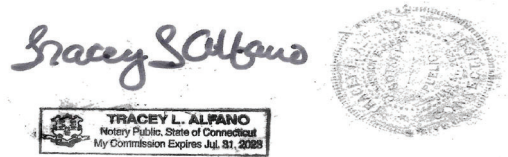
Twin City Fire Insurance Company has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

DocuSigned by:
Colleen Pernerewski
73FE153B92E54A9

Affiant

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Signature of Notary Public

Printed Name of Notary Public

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**STATE OF CONNECTICUT §
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COUNTY OF MIDDLESEX §**

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

"My name is Colleen Pernerewski. 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 Chief Compliance Officer and am the authorized representative of Hartford Accident and Indemnity Company. I am duly authorized by said organization to execute this statement.

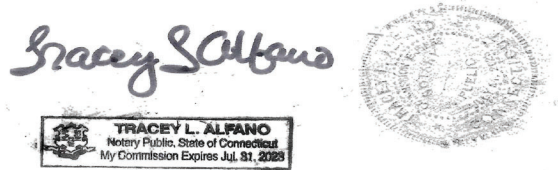
Hartford Accident and Indemnity Company has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

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STATE OF CONNECTICUT §
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COUNTY OF MIDDLESEX §

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

"My name is Colleen Pernerewski. 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 Chief Compliance Officer and am the authorized representative of Hartford Casualty Insurance Company. I am duly authorized by said organization to execute this statement.

Hartford Casualty 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."

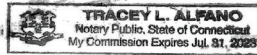
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**STATE OF CONNECTICUT §
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Before me, the undersigned authority, personally appeared Colleen Pernerewski, who being by me duly sworn, deposed as follows:

"My name is Colleen Pernerewski. 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 Chief Compliance Officer and am the authorized representative of Hartford Underwriters Insurance Company. I am duly authorized by said organization to execute this statement.

Hartford Underwriters 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."

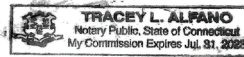
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"My name is Colleen Pernerewski. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of Cheif Compliance Officer and am the authorized representative of Hartford Fire Insurance Company. I am duly authorized by said organization to execute this statement.


Hartford Fire 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."

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