

No. **2021-7086**

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

**Date: 11/18/2021**

**Subjects Considered:**

Horace Mann Insurance Company  
Horace Mann Property & Casualty Insurance Company  
Teachers Insurance Company  
1 Horace Mann Plaza  
Springfield, IL 62715-0001

Consent Order  
TDI Enforcement File Nos. 25518, 25519, and 25520

**General remarks and official action taken:**

This is a consent order with Horace Mann Insurance Company, Horace Mann Property & Casualty Insurance Company, and Teachers Insurance Company (the Horace Mann Companies). The Horace Mann Companies improperly used an applicant's lack of prior insurance to determine personal automobile rates. The Horace Mann Companies have paid restitution to the affected policyholders and agree to pay a \$25,000 administrative penalty.

**Waiver**

The Horace Mann Companies acknowledge that the Texas Insurance Code and other applicable law provide certain rights. The Horace Mann Companies waive all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

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## Findings of Fact

1. The Horace Mann Companies are all foreign fire and casualty insurance companies holding a certificate of authority to transact business in Texas.
2. Texas law, under 28 TEX. ADMIN. CODE § 5.401(b), prohibits insurers from using an applicant's lack of prior insurance in determining the appropriate rate for private passenger automobile liability insurance where the applicant has not been operating an uninsured motor vehicle in the state for more than 30 days during the 12 months immediately preceding the date of the application.
3. During the period between February 15, 2015, and June 16, 2020, the Horace Mann Companies' personal automobile rate filings considered a policyholder's prior insurance, including any lapse in insurance, in assigning underwriting levels for rating purposes. This affected the final premium a policyholder paid.
4. After objection from department staff in March 2020, the Horace Mann Companies implemented a process to identify applicants whose lapse in insurance coverage is not associated with unlawful vehicle operation. Prior to that implementation, the Horace Mann Companies were using lapses between 1 and 30 days in determining the policyholder's underwriting level.
5. The Horace Mann Companies finished its remediation process by rerating the 613 impacted policies and providing refunds, credits, and write-offs in the amount of \$144,719.90 to policyholders. The Horace Mann Companies provided the department with a report detailing the remediation on June 2, 2021.

## Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051-82.055, 84.021-84.044, and 801.052-801.053.
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.

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3. The Horace Mann 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 Horace Mann Companies violated 28 TEX. ADMIN. CODE § 5.401 by assigning a rate consequence to an applicant's lack of prior insurance of not more than 30 days when the applicant has not been operating an uninsured motor vehicle in the state.

## Order

It is ordered that Horace Mann Insurance Company, Horace Mann Property & Casualty Insurance Company, and Teachers Insurance Company, pay an administrative penalty of \$25,000, jointly and severally, 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:



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Leah Gillum, Deputy Commissioner  
Enforcement Division



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Whitney Fraser, Director  
Enforcement Division

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**Affidavit**

STATE OF Illinois §  
§  
COUNTY OF Sangamon §

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

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

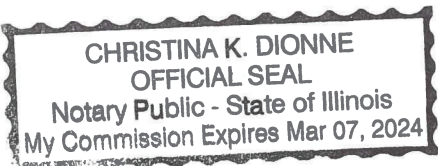
I hold the office of VP P+C Underwriting and am the authorized representative of Horace Mann Insurance Company, Horace Mann Property & Casualty Insurance Company, and Teachers Insurance Company. I am duly authorized by said organization to execute this statement.

Horace Mann Insurance Company, Horace Mann Property & Casualty Insurance Company, and Teachers Insurance Company have 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 November 8, 2021.

(NOTARY SEAL)



Christina K. Dionne  
\_\_\_\_\_  
Signature of Notary Public

Christine K. Dionne  
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Printed Name of Notary Public