

No. 4319

**OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE**

Date: FEB 24 2016

Subject Considered:

UNITRIN COUNTY MUTUAL INSURANCE COMPANY
8360 Lyndon B. Johnson Freeway
Dallas, Texas 75243-1134

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 10140

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against Unitrin County Mutual Insurance Company.

WAIVER

Unitrin acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Unitrin waives 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), Unitrin agrees to this consent order with the express reservation that it does not admit to a violation of the code or of a rule and that the existence of a violation is in dispute.

FINDINGS OF FACT

1. Unitrin is a county mutual licensed by the Texas Department of Insurance since March 5, 1949.
2. TDI conducted an examination of the conduct, performance, and practices of Unitrin for the period of January 1, 2014, through December 31, 2014. The examination focused on a review of the personal automobile business produced by Unitrin.
3. The purpose of the examination was to verify compliance with the Texas Insurance Code, Chapter 28 of the Texas Administrative Code, the Texas Automobile Rules and Rating Manual (Auto Manual), and the Texas Standard Provisions for Automobile Policies.

4. The findings of the examination are set out in the Examination report dated June 11, 2015, which cited Unitrin for violations of the Texas Insurance Code and the Texas Administrative Code.
5. TDI's examination found 10 instances where Unitrin failed to provide the claimant with the Notice of Claimants Regarding Motor Vehicle Repairs.
6. TDI's examination found 16 instances where Unitrin failed to notify the insured in writing not later than the 30th day after the date a claim against a named insured under a casualty insurance policy issued to the insured was settled.

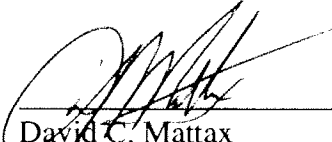
Prior Examination Findings

7. TDI previously conducted an examination of Unitrin from March 3, 2010, through February 28, 2011.
8. TDI's prior examination found nine instances where Unitrin failed to provide the claimant with the Notice of Claimants Regarding Motor Vehicle Repairs.
9. TDI's examination found 33 instances where Unitrin failed to notify the insured of a final claim settlement.

CONCLUSIONS OF LAW

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE chs. 801 and 912; TEX. INS. CODE §§ 38.001, 82.051-82.055 and 84.021-84.051; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has the authority to dispose of this matter informally, as set out in TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 36.104 and 82.055, and 28 TEX. ADMIN. CODE § 1.47.
3. Unitrin violated TEX. INS. CODE §§ 542.153(b) and 1952.305, and 28 TEX. ADMIN. CODE § 5.501.

The commissioner orders Unitrin County Mutual Insurance Company to pay an administrative penalty of \$10,000 within 30 days from the date of this order. Unitrin County Mutual Insurance Company must pay the administrative penalty by cashier's check or money order payable to the State of Texas. Unitrin County Mutual Insurance Company must mail the payment to the Texas Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.



David C. Mattax
Commissioner of Insurance

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COMMISSIONER'S ORDER
Unitrin County Mutual Insurance Company
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APPROVED AS TO FORM AND CONTENT

A handwritten signature in black ink, appearing to read "Sarah White", is written over a horizontal line.

Sarah White
Staff Attorney, Enforcement Section
Texas Department of Insurance

AFFIDAVIT

STATE OF Texas §

COUNTY OF Dallas §

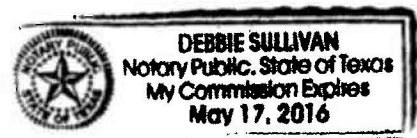
BEFORE ME, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

1. "My name is Wendy Knight Grant. I am of sound mind, capable of making this statement, and personally acquainted with the facts stated herein.
2. I hold the office of Vice President. I am the authorized representative of Unitrin County Mutual Insurance Company and am duly authorized to execute this affidavit.
3. Unitrin County Mutual Insurance Company waives rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner of insurance of the state of Texas.
4. Unitrin 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 foregoing consent order by the commissioner of insurance of the state of Texas."

Wendy Knight Grant
Affiant

SWORN TO AND SUBSCRIBED before me on this 4th day of February 2016.

Debbie Sullivan
Signature of Notary Public



(NOTARY STAMP)