

No. **2022-7299**

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

**Date: 04/18/2022**

**Subject Considered:**

United Property & Casualty Insurance Company  
800 2nd Ave S  
Saint Petersburg, Florida 33701-4020

Consent Order  
TDI Enforcement File No. 29081

**General remarks and official action taken:**

This is a consent order with United Property & Casualty Insurance Company (UPCIC). UPCIC self-reported a rate filing error to the department that resulted in overcharges to certain policyholders. UPCIC has agreed to pay restitution for the rating error to the affected policyholders.

**Waiver**

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

**Findings of Fact**

1. UPCIC is a foreign fire and casualty insurance company that holds a certificate of authority to transact business in Texas.
2. TEX. INS. CODE § 2251.101(a) requires each insurer to file with the commissioner all rates, applicable rating manuals, supplementary rating information, and additional information as required by the commissioner.

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3. UPCIC made a homeowners rate filing (S691179) on April 21, 2021, to be effective for new business July 15, 2021, and for renewal business on September 30, 2021. The rate filing was intended to result in an average rate change of +14%.
4. An error in the policy administration system resulted in implementation of an average rate change of +40%.
5. UPCIC identified the error in an audit and self-reported it to the department in October 2021. UPCIC made a filing correcting the error effective February 15, 2022, for new and renewal business.
6. UPCIC represents it has implemented additional controls to allow quality assurance assessments prior to rate programming to ensure a similar error does not occur in the future.

### Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 801.052–801.053, and 2251.101.
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. UPCIC has knowingly and voluntarily waived all procedural rights to which it 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. UPCIC violated TEX. INS. CODE § 2251.101 by using a rate different than that on file with the department.
5. Pursuant to TEX. INS. CODE § 82.053, the commissioner is authorized to direct UPCIC to make complete restitution to each policyholder impacted by the violations.

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## Order

UPCIC is ordered to comply with the following:

- a. UPCIC must identify all homeowners insurance policies issued in Texas with effective dates from July 15, 2021, through February 15, 2022 (the "Review Period").
- b. For each policy in the Review Period, UPCIC must identify any policyholder who was charged a higher premium than the rate filing effective July 15, 2021, prescribed. The increased premium amount is the Overcharge.
- c. UPCIC must pay restitution in the form of a company check or account credit to each policyholder identified in the Review Period as having an Overcharge (the "Qualifying Policyholders").
- d. UPCIC must mail the restitution checks or issue the account credits to the Qualifying Policyholders on or before May 31, 2022.
- e. Any restitution checks that are returned to UPCIC with an address correction must be promptly resent to the correct address. Funds from any restitution checks that are returned thereafter for incorrect addresses and from checks that are not negotiated must be reported and delivered to the comptroller pursuant to the procedures and deadlines set forth in TEX. PROP. CODE §§ 72.001 *et. seq.*, 73.001 *et. seq.*, and 74.001 *et. seq.*
- f. On or before August 1, 2022, UPCIC must report the restitution paid to the Qualifying Policyholders by submitting a complete and sortable electronic spreadsheet to the department. The spreadsheet must contain the following information:
  - i. policy number;
  - ii. policyholder name;
  - iii. policyholder address;
  - iv. effective date of the policy;
  - v. expiration date of the policy;
  - vi. amount of Overcharge;
  - vii. date(s) of mailing of restitution check or credits;
  - viii. the total sum of all Overcharges.

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- g. UPCIC must send all submissions required under the terms of this order by email to: EnforcementReports@tdi.texas.gov.

DocuSigned by:  
  
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Cassie Brown  
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner  
Fraud and Enforcement Division



Mandy Meesey, Associate Commissioner  
Enforcement

