

No. 3807

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

Date: FEB 05 2015

**Subject Considered:**

COREPOINTE INSURANCE COMPANY  
401 S. Old Woodward Ave., Suite 300  
Birmingham, MI 48009

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 7425

**General remarks and official action taken:**

The commissioner of insurance considers disciplinary action against Corepointe Insurance Company.

**WAIVER**

Corepointe acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Corepointe waives all 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), Corepointe 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. Corepointe holds a certificate of registration authorizing Corepointe to transact business in the State of Texas.
2. The Texas Department of Insurance's 2012 evaluation of Corepointe's Texas loss control program initially resulted in an inadequate rating. TDI provided the company with additional time to address several serious deficiencies and Corepointe was able to achieve an adequate rating.
3. TDI conducted an evaluation in June 2014, to determine the adequacy of Corepointe's Texas loss control program for commercial automobile liability insurance and general liability insurance. The evaluation resulted in an inadequate rating for Corepointe's Texas loss control program.

4. TDI's 2014 evaluation found the following deficiencies:
  - a. Corepointe failed to provide its annual notification of the availability of loss control information and services.
  - b. Corepointe failed to provide the loss prevention resources, such as safety and training materials, to demonstrate its capability to prevent and control the insured's losses for each line of insurance.
  - c. Corepointe failed to provide a fully compliant Form 2. The non-compliant Form 2 submitted by Corepointe included four individuals not in TDI's approved loss control representative database.

### CONCLUSIONS OF LAW

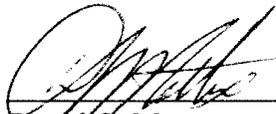
1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 84.021-84.044, 801.051-801.056, 1903.051, and 1952.058; and 28 TEX. ADMIN. CODE §§ 5.301-5.311 and 5.1721-5.1731.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056, TEX. INS. CODE § 82.055, and 28 TEX. ADMIN. CODE § 1.47.
3. Pursuant to TEX. INS. CODE §§ 1903.051 and 1952.058, an insurer must provide loss control information to policy holders as a prerequisite to writing professional liability, medical professional insurance for insureds other than hospitals, general liability insurance, and commercial automobile liability insurance in Texas. The loss control information must be reasonably commensurate with the risks, exposures, and experience of the insured's business.
4. Additional loss control information to be provided by insurers writing the above listed insurance is further described in 28 TEX. ADMIN. CODE §§ 5.301-5.302 and 5.1721-5.1722.
5. Pursuant to 28 TEX. ADMIN. CODE §§ 5.303 and 5.1723, at least every two years the department conducts an evaluation of the loss control information and services of each insurer writing professional liability and medical liability insurance for insurers other than hospitals, general liability insurance, and commercial automobile liability insurance.
6. Corepointe violated TEX. INS. CODE §§ 1903.051 and 1952.058 and 28 TEX. ADMIN. CODE §§ 5.301, 5.311, 5.1721, and 5.1731.

The commissioner of insurance orders that Corepointe Insurance Company pay an administrative penalty of \$10,000 within 30 days from the date of this order. The payment must be paid by cashier's check or money order made payable to the "State of Texas" and sent to the Texas

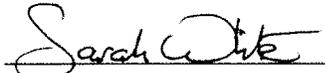
Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.

The commissioner further orders Corepointe Insurance Company to provide the following information in response to TDI's requirements and requests for information within defined timelines during subsequent loss control inspections. This includes:

1. A Texas policyholder list formatted in accord with instructions provided by TDI. The list must also separate information by line of insurance;
2. Form 2 listing each qualified loss control representative, employee, or contractor, who provided or may provide loss control information and services to Corepointe's Texas insureds;
3. A complete TDI Loss Control Presentation Outline;
4. Corepointe's policies and procedures that address the applicable items in TDI's Outline of a Minimum Plan for a Loss Control Program;
5. Annual written notifications of the availability of loss control information and services that accompany each new and renewal policy;
6. Thorough representation of safety and training resources for each line of insurance;
7. Thoroughly answered and completed TDI Loss Control Information Worksheets. It will be unacceptable to enter "unknown" for any request for information; and
8. The individual file documentation must verify the information contained within the Loss Control Information Worksheets and must include all applicable information and types of documentation described in TDI's instructions.

  
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David C. Mattax  
Commissioner of Insurance

APPROVED AS TO FORM AND CONTENT

  
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Sarah White, Staff Attorney  
Texas Department of Insurance

