

2017- 5087
No. _____

OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE

Date: MAY 22 2017

Subject Considered:

FARMERS TEXAS COUNTY MUTUAL INSURANCE COMPANY
P.O. Box 149044
Austin, Texas 78714

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 10100

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against Farmers Texas County Mutual Insurance Company which holds a certificate of authority issued by the department.

WAIVER

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

FINDINGS OF FACT

1. Farmers Texas County Mutual Insurance Company (FTCM) is a domestic county mutual company currently holding a certificate of authority to transact business in Texas.
2. The Automobile Burglary and Theft Prevention Authority (ABTPA) collects a fee of \$2.00 per motor vehicle year from each insurer.
3. An insurer may recoup this fee from the policyholder if it is properly disclosed to each policyholder pursuant to the requirements in the Texas Administrative Code, and if it is properly filed within a rate and supporting information filing in compliance with Chapter 2251 of the Texas Insurance Code and the Texas Administrative Code.
4. As of November 16, 2014, all insurers were required to file certain rating information, including fees, manuals, and supplementary rating information, as explained in the Filings Made Easy Guide, contained in Title 28, Chapter 5, Subchapter M, and Division 6 of the Texas Administrative Code. This filing would include fees and other amounts collected by an insurer such as the Auto Burglary and Theft Assessment Fee.

5. On September 2, 2015, FTFCM filed an updated rule page for their Texas Farmers 2.0 Personal Auto program that added a rule related to the Auto Burglary and Theft Assessment Fee. The rule described how FTFCM recoups two dollars per motor vehicle year from each policyholder to cover FTFCM's payment to the ABTPA.
6. FTFCM's filing became effective October 17, 2015. Prior to this date, FTFCM had been recouping these fees from policyholders without having any rule on file disclosing this recoupment to the department.

CONCLUSIONS OF LAW

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE chs. 801, 912; TEX. INS. CODE §§ 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 forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. FTFCM waives all procedural requirements for the entry of an order in this matter, including but not limited to the issuance and service of a notice of intention to institute disciplinary action, a notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. On and after November 16, 2014, through October 17, 2015, FTFCM violated 28 TEX. ADMIN. CODE § 5.9334(b), by omitting rules in its rate filing associated with recouping the \$2.00 per motor vehicle year Auto Burglary and Theft Assessment Fee from policyholders.

The commissioner orders Farmers Texas County Mutual Insurance Company to pay a \$15,000 administrative penalty within 30 days from the date of this order. The administrative penalty must be paid by cashier's check or money order payable to the State of Texas. Farmers Texas County Mutual Insurance Company must mail the administrative penalty to the Texas Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, TX 78714-9104.

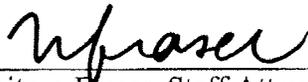


Kevin Brady
Deputy Commissioner for Agency Affairs
Texas Department of Insurance
Delegation Order 4506

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COMMISSIONER'S ORDER
Farmers Texas County Mutual Insurance Company
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APPROVED AS TO FORM AND CONTENT:



Whitney Fraser, Staff Attorney
Enforcement Section
Texas Department of Insurance

AFFIDAVIT

STATE OF California _____ §

COUNTY OF Los Angeles _____ §

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

1. "My name is Victoria McCarthy. 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 of Farmers Texas County Mutual Insurance Company. I am the authorized representative of Farmers Texas County Mutual Insurance Company and am duly authorized to execute this affidavit.

3. Farmers Texas County Mutual Insurance Company has knowingly and voluntarily entered into the foregoing consent order and consents to the issuance and service of the foregoing consent order by the commissioner of insurance of the state of Texas."


Affiant

SWORN TO AND SUBSCRIBED before me on this 16th day of May, 2017.

**Please See Attached
CA Notary Certificate**

Signature of Notary Public

(NOTARY STAMP)

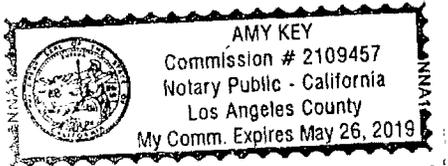
CALIFORNIA JURAT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me on this 16th day of May, 2017, by Victoria L. McCarthy, proved to me on the basis of satisfactory evidence to be the person who appeared before me.



Amy Key
Signature of Notary Public

Place Notary Seal and/or Stamp Above
