

No. 2018- 5337

OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE

Date: JAN 0 3 2018

Subject Considered:

THE GENERAL AUTOMOBILE INSURANCE COMPANY, INC.
P.O. Box 305054
Nashville, Tennessee 37230

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 13212

General remarks and official action taken:

This order is in consideration of whether disciplinary action should be taken against The General Automobile Insurance Company, Inc.

WAIVER

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

FINDINGS OF FACT

1. General Automobile is a foreign insurer domiciled in the state of Ohio and has been licensed by the Texas Department of Insurance since November 30, 2010.
2. TDI conducted an examination of General Automobile for the period of January 1, 2015, through December 31, 2015. The examination focused on a review of sales, advertising and marketing, underwriting and rating, claims practices, and consumer complaints of General Automobile.
3. The purpose of the examination was to verify compliance with the Texas Insurance Code, Chapter 28 of the Texas Administrative Code, and the Texas Automobile Rules and Rating Manual.
4. The findings of the examination are set out in the Examination report dated January 12, 2017, which cited General Automobile for violations of the Texas Insurance Code and the Texas Administrative Code.

5. TDI's examination found 87 issued policies where the agent was not appointed to act as an agent for General Automobile.
6. TDI's examination found 25 instances where General Automobile failed to notify the insured of the offer in writing not later than the 10th day after the date an initial offer to settle a claim against a named insured under a casualty insurance policy issue to the insured was made.
7. TDI's examination found 93 instances where General Automobile failed to notify the insured of the settlement 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.
8. TDI's examination found 55 instances where General Automobile failed to send claimants the required Notice of Rights Regarding Repair of Motor Vehicle.
9. TDI's examination found 74 instances where General Automobile failed to send claimants the Notice of Rights Regarding Repair of Motor Vehicle in both English and Spanish.

CONCLUSIONS OF LAW

The conclusions of law are as follows:

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE chs. 751 861, and 862; 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. General Automobile violated TEX. INS. CODE §§ 542.153(a) and (b), 1952.305, and 4001.201; and 28 TEX. ADMIN. CODE § 5.501(h).

It is ordered that The General Automobile Insurance Company Inc. pay an administrative penalty of \$100,000 within 30 days from the date of this order. The General Automobile Insurance Company Inc. must pay the administrative penalty by cashier's check or money order payable to the State of Texas. The General Automobile Insurance Company, Inc. must mail the payment to the Texas Department of Insurance, Attn: Enforcement Section, Division 60851, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.



Kent C. Sullivan
Commissioner of Insurance

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APPROVED AS TO FORM AND CONTENT



Sarah White

Staff Attorney, Enforcement Section

Texas Department of Insurance

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STATE OF Tennessee §

COUNTY OF Davidson §

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

1. "My name is Robert E. Nelson. I am of sound mind, capable of making this statement, and personally acquainted with the facts stated herein.
2. I hold the office of Controller, Asst Treasurer & Asst. Secretary. I am the authorized representative of The General Automobile Insurance Company, Inc. and am duly authorized to execute this affidavit.
3. The General Automobile Insurance Company, Inc. 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. The General Automobile Insurance Company, Inc. 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."

Robert E. Nelson
Affiant

SWORN TO AND SUBSCRIBED before me on this 18th day of October, 2017.

[Signature]
Signature of Notary Public

(NOTARY STAMP)

