

No. 2018 - 5395

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

Date: FEB 07 2018

Subjects Considered:

FCCI INSURANCE COMPANY
MONROE GUARANTY INSURANCE COMPANY
NATIONAL TRUST INSURANCE COMPANY
6300 University Parkway
Sarasota, FL 34240

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 13839, 13840, 13841

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against FCCI Insurance Company, Monroe Guaranty Insurance Company, and National Trust Insurance Company (collectively, the "Companies").

WAIVER

The Companies acknowledge that the Texas Insurance Code and other applicable law provide certain rights. The Companies waive 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), the Companies agree to this consent order with the express reservation that they do 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

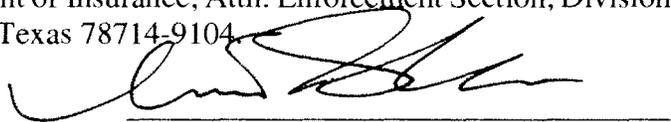
1. FCCI Insurance Company, Monroe Guaranty Insurance Company, and National Trust Insurance Company are all affiliated foreign fire and casualty insurance companies holding a certificate of authority to transact business in Texas.
2. Pursuant to TEX. INS. CODE § 2251.101, each insurer shall file with the commissioner all rates, applicable rating manuals, supplementary rating information, and additional information as required by the commissioner. An insurer may use a rate filed on and after the date the rate is filed.

3. On May 18, 2017, the Companies made a rate filing with TDI (SERFF FCCS-131046903; TDI Filing S641141) with an effective date of February 1, 2018, for new and renewal business for its commercial multi-peril policies.
4. The original filing included a notation that "All ineligible classes must be referred to the reinsurer for pricing" in the rules for "Equipment Breakdown Coverage."
5. On June 9, 2017, in response to an objection by TDI staff, the Companies revised their rate filing. The Companies stated that they had previously used rates not on file to write five policies.

CONCLUSIONS OF LAW

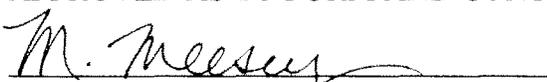
1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051 – 82.055, 84.021– 84.044, and 801.052-801.053.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. The Companies have knowingly and voluntarily waived all procedural rights to which they 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. The Companies violated TEX. INS. CODE § 2251.101 by using a rate not on file with the department.

FCCI Insurance Company, Monroe Guaranty Insurance Company, and National Trust Insurance Company are ordered to pay, jointly and severally, an administrative penalty of \$30,000. The administrative penalty must be paid within 30 days from the date of this order. The administrative penalty may be paid by a company check made payable to the "State of Texas." Mail the administrative penalty 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

APPROVED AS TO FORM AND CONTENT:



Mandy Meesey
Director, Enforcement Section
Texas Department of Insurance

AFFIDAVIT

STATE OF FLORIDA §
§
COUNTY OF SARASOTA §

Before me, the undersigned authority, personally appeared CHRISTINA WELCH who being by me duly sworn, deposed as follows:

"My name is CHRISTINA WELCH. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of EXECUTIVE VICE PRESIDENT, CHIEF RISK AND COMPLIANCE OFFICER, and am the authorized representative of Monroe Guaranty Insurance Company. I am duly authorized by said organization to execute this statement.

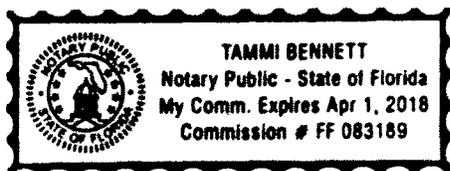
Monroe Guaranty Insurance Company has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

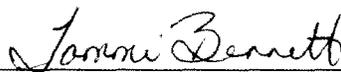


Affiant

SWORN TO AND SUBSCRIBED before me on December 21, 2017.

(NOTARY SEAL)





Signature of Notary Public

AFFIDAVIT

STATE OF FLORIDA §
§
COUNTY OF SARASOTA §

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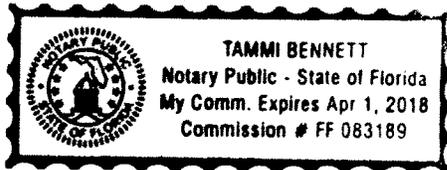
I hold the office of EXECUTIVE VICE PRESIDENT, CHIEF RISK AND COMPLIANCE OFFICER, and am the authorized representative of National Trust Insurance Company. I am duly authorized by said organization to execute this statement.

National Trust Insurance Company has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

Christina Welch
Affiant

SWORN TO AND SUBSCRIBED before me on December 21, 2017.

(NOTARY SEAL)



Tammi Bennett
Signature of Notary Public