

No. **2016-4755**

OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE

Date: OCT 27 2016

Subject Considered:

PRONTO GENERAL AGENCY, LTD.
805 Media Luna, Suite 401
Brownsville, Texas 78520

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 11255

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against Pronto General Agency, Ltd. (Pronto).

WAIVER

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

FINDINGS OF FACT

1. Under firm identification number 27896 with the department, Pronto has held a managing general agency (MGA) license since May 16, 2007, and has held a general lines property and casualty license since August 4, 2010.
2. Pronto writes private passenger automobile insurance policies on behalf of two authorized fire and casualty insurance companies (the insurers).
3. The department conducted a market conduct examination of Pronto covering an initial period of January 1, 2014, through December 31, 2014, and which was later expanded to include the period through July 31, 2015 (the 2014-15 exam). The exam focused on a review of sales, advertising and marketing, underwriting and rating, claims practices, and consumer complaints and inquiries.
4. The department conducted a prior market conduct examination of Pronto as of February 29, 2008, which included the following significant finding:
 - A sample of issued policies revealed that 20 applications (40 percent) were accepted by [Pronto] by eight agents that were not properly licensed nor appointed by the insurer in

violation of Sections 4051.051(a), 4001.201 and 912.251 of the [Texas Insurance] Code.

5. During the 2014-15 exam, the department found violations of the Texas Insurance Code and the Texas Administrative Code.
6. A review of 60 issued policies found that Pronto had issued 16 policies on behalf of the insurers where the agent listed on the policy was not appointed by the insurer.
7. In one instance, Pronto issued a policy on behalf of an insurer where the listed agent on the policy did not hold the appropriate licensure for issuance. The agent held a county mutual license, but did not hold a general lines property and casualty license, and had issued the policy on behalf of one of the insurers.
8. Pronto cancelled three policies on behalf of the insurers where the cancellation took effect before the 10th day after the date the cancellation notice was mailed to the policyholder. With respect to two of the policies, the untimely mailing of the notice of cancellation was inadvertent and due to a malfunctioning mailing device.
9. On behalf of the insurers of casualty insurance policies in two paid claims, one pending claim, and in four complaints reviewed, Pronto failed to notify the insured in writing of the settlement of a claim against the named insured not later than the 30th day after the date it was settled.
10. On behalf of the insurers of casualty insurance policies in one pending claim, Pronto failed to notify the insured in writing of an initial offer to settle a claim against the named insured not later than the 10th day after the initial offer was made.
11. On behalf of the insurer in one complaint reviewed, Pronto failed to adopt and implement reasonable standards for the prompt investigation of a claim.
12. On behalf of the insurer in one denied claim, Pronto failed to notify the claimant in writing of the acceptance or rejection of the claim not later than 15 business days after the date Pronto received all items, statements, and forms required by the insurer to secure final proof of loss.
13. On behalf of the insurers in two instances, Pronto did not provide the claimant, in connection with claims for damage repair, the Notice Regarding Motor Vehicle Repairs.

CONCLUSIONS OF LAW

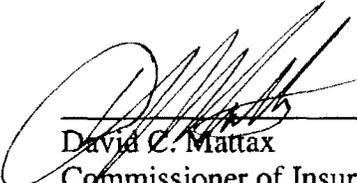
1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051 – 82.055, 84.021– 84.044, 4005.101, 4053.107, and 4053.151.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056, TEX. INS. CODE § 82.055, and 28 TEX. ADMIN. CODE § 1.47.

3. Pronto 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. Pronto violated TEX. INS. CODE § 542.003(b)(3) by failing to adopt and implement reasonable standards for the prompt investigation of a claim.
5. Pronto violated TEX. INS. CODE § 542.056(a) by failing to accept or reject a claim not later than 15 business days after the date it received all items, statements, and forms required by the insurer to secure final proof of loss.
6. Pronto violated TEX. INS. CODE § 542.153(a) by failing to notify a named insured under a casualty insurance policy of an initial offer to settle a claim against the named insureds in writing, not later than the 10th day after the date the initial offer was made.
7. Pronto violated TEX. INS. CODE § 542.153(b) by failing to notify named insureds under casualty insurance policies of a settlement of a claim against the named insureds in writing, not later than the 30th day after the date the claim was settled.
8. Pronto violated TEX. INS. CODE § 551.104(e) by cancelling three policies before the 10th day after the notice of cancellation was sent to the policyholder.
9. Pronto violated TEX. INS. CODE § 1952.305 and 28 TEX. ADMIN. CODE § 5.501 by failing to provide claimants, in connection with claims for damage repair, the Notice Regarding Motor Vehicle Repairs.
10. Pronto violated TEX. INS. CODE § 4051.051(a)(1) by allowing a county mutual agent to write insurance for a property and casualty insurer without holding a general lines property and casualty license.
11. Pronto violated TEX. INS. CODE § 4001.201 by allowing its agents to engage in the business of insurance on behalf of an insurer with which the agents were not appointed.

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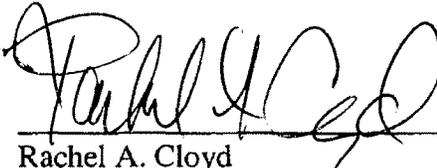
COMMISSIONER'S ORDER
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The commissioner orders Pronto General Agency, Ltd. to pay an administrative penalty of \$65,000. The penalty payment is due on or before 30 days from the date of this order. The payment must be paid by cashier's check or money order made payable to the "State of Texas" and transmitted to the Texas Department of Insurance, Attn: Compliance Division, Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.



David C. Mattax
Commissioner of Insurance

APPROVED AS TO FORM AND CONTENT:



Rachel A. Cloyd
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Texas Department of Insurance

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