

No. 2018-5338

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

Date: JAN 03 2018

Subjects Considered:

OCCIDENTAL FIRE & CASUALTY COMPANY OF NORTH CAROLINA
PILLAR INSURANCE COMPANY
PO Box 10800
Raleigh, NC 27605

CONSENT ORDER
TDI ENFORCEMENT FILE NOS. 13832 & 14382

General remarks and official action taken:

This order is in consideration of whether disciplinary action should be taken against Occidental Fire & Casualty Company of North Carolina and Pillar Insurance Company.

WAIVER

Occidental Fire & Casualty Company of North Carolina and Pillar Insurance Company acknowledge that the Texas Insurance Code and other applicable law provide certain rights. Occidental Fire & Casualty Company of North Carolina and Pillar Insurance Company waive all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

FINDINGS OF FACT

1. Occidental Fire & Casualty Company of North Carolina and Pillar Insurance Company are foreign fire and casualty insurance companies holding a certificate of authority to transact business in Texas.
2. Occidental Fire & Casualty Company of North Carolina is an affiliate of Pillar Insurance Company.
3. Occidental Fire & Casualty Company of North Carolina represents that it entered the Texas market in 2015 to bring new capacity to the homeowners market in Texas, including the tier one and two coastal counties with wind coverage.

4. 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.
5. On February 12, 2015, Occidental Fire & Casualty Company of North Carolina made a rate filing with TDI (SERFF OCCD-129913046; TDI Filing S16082) with an effective date of April 1, 2015, for new and renewal business for its homeowners policies (“Occidental 2015 Homeowners Filing”).
6. On April 15, 2016, Occidental Fire & Casualty Company of North Carolina made a rate filing with TDI (SERFF OCCD-130533517; TDI Filing S623191) with an effective date of May 20, 2016, for new and renewal business for its homeowners policies (“Occidental 2016 Homeowners Filing”).
7. On July 6, 2016, Occidental Fire & Casualty Company of North Carolina made a rate filing with TDI (SERFF OCCD-130635126; TDI Filing S627402) with an effective date of October 1, 2016 for new and renewal business for its dwelling fire policies (“Occidental 2016 Dwelling Fire Filing”).
8. On August 1, 2016, Pillar Insurance Company made a rate filing with TDI (SERFF OCCD-130674261; TDI Filing S628472) with an effective date of October 1, 2016, for new and renewal business for its dwelling fire policies (“Pillar 2016 Dwelling Fire Filing”).
9. In the Occidental 2015 Homeowners Filing, Occidental 2016 Homeowners Filing, Occidental 2016 Dwelling Fire Filing, and the Pillar 2016 Dwelling Fire Filing the companies filed a table for territory definitions assigned by zip codes. The companies failed to include all applicable zip codes in the filings.
10. On November 19, 2016, Occidental Fire & Casualty Company of North Carolina filed a comprehensive list of zip codes with TDI (SERFF OCCD-13081201; TDI Filing S633197) for its homeowners policies.
11. On November 22, 2016, Occidental Fire & Casualty Company of North Carolina filed a comprehensive list of zip codes with TDI (SERFF OCCD-130817387; TDI Filing S633252) for its dwelling fire policies.
12. On November 18, 2016, Pillar Insurance Company filed a comprehensive list of zip codes with TDI (by amendment to SERFF OCCD-130674261; TDI Filing S628472) for its dwelling fire 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.

COMMISSIONER'S ORDER

Occidental Fire & Casualty Company of North Carolina, et al

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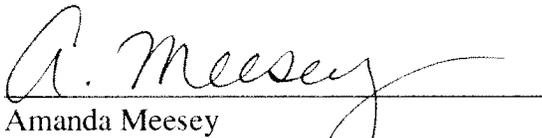
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. Occidental Fire & Casualty Company of North Carolina and Pillar Insurance Company have knowingly and voluntarily 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. Occidental Fire & Casualty Company of North Carolina and Pillar Insurance Company violated TEX. INS. CODE § 2251.101 by using a rate not on file with the department.

Occidental Fire & Casualty Company of North Carolina and Pillar Insurance Company are ordered to pay, jointly and severally, an administrative penalty of \$35,000. The administrative penalty must be paid within 30 days from the date of this order. The administrative penalty must be paid by cashier's check or money order 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:



Amanda Meesey
Director, Enforcement Section
Texas Department of Insurance

