

No. 2019-5829

**Official Order  
of the  
Texas Commissioner of Insurance**

Date: JAN 03 2019

**Subject Considered:**

The Hanover Insurance Company  
440 Lincoln Street  
Worcester, MA 01653-0002

Consent Order  
TDI Enforcement File No. 16648

**General remarks and official action taken:**

The subject of this order is whether disciplinary action should be taken against The Hanover Insurance Company (Hanover).

**Waiver**

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

The following findings of fact and conclusions of law are adopted:

**Findings of Fact**

1. Hanover is a fire and casualty insurance company holding a certificate of authority to transact business in the state of Texas.
2. In 2017, Hanover began issuing policies in Texas that contained Form CR 02 47 10 10. Hanover issued 35 policies to individual businesses, all with the same effective date, beginning in February 2017.

3. Hanover did not file Form CR 02 47 10 10 for review and approval with TDI prior to issuing the policies.
4. Hanover filed the form and obtained approval on August 2, 2018, after TDI notified Hanover of the failure to file. Thus, the policies were in force with unapproved Form CR 02 47 10 10 for approximately 18 months.
5. Form CR 02 47 10 10, entitled "Texas Changes," incorporates several Texas-specific provisions based on Texas Insurance Code statutory requirements.
6. Form CR 02 47 10 10 is a form issued by the Insurance Services Office (ISO). Some states do not require insurers to file ISO forms for review and approval, but Texas does.
7. There is no evidence of consumer harm to Texans related to the use of form CR 02 47 10 10 by Hanover.

### **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 801.051 – 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 § 82.055, and 28 TEX. ADMIN. CODE § 1.47.
3. Hanover 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 intent to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Hanover violated TEX. INS. CODE § 2301.006 by failing to file and using an unapproved form.

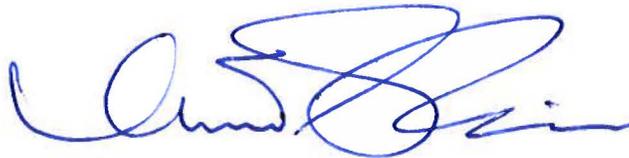
### **Order**

It is ordered that The Hanover Insurance Company must pay an administrative penalty of \$20,000.00. The administrative penalty must be paid within 30 days from the date of this order.

2019- 5829

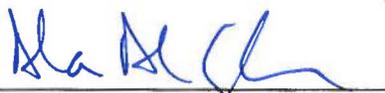
Commissioner's Order  
The Hanover Insurance Company  
Page 3 of 4

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 Atkinson Cagle  
Staff Attorney, Enforcement Section  
Texas Department of Insurance

**Affidavit**

**THE STATE OF Massachusetts**

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**COUNTY OF Worcester**

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

"My name is Kathleen Rudolph. 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 VP, Chief Compliance Officer and am the authorized representative of The Hanover Insurance Company. I am duly authorized by the organization to execute this statement.

The Hanover 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."

*Kathleen Rudolph*  
Affiant

SWORN TO AND SUBSCRIBED before me on November 29, 2018.

(NOTARY STAMP)

*Robin B. Sipowicz*  
Signature of Notary Public

