

No. **2024-8733**

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

Date: 7/11/2024

Subject Considered:

Hartford Insurance Company of the Midwest
One Hartford Plaza
Hartford, CT 06155-0001

Consent Order
TDI Enforcement File No. 34772

General remarks and official action taken:

This is a consent order with Hartford Insurance Company of the Midwest (Hartford). Hartford self-reported to the department that it discovered errors related to certain automobile rates. Hartford has agreed to pay restitution to the policyholders who were overcharged.

Waiver

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

Findings of Fact

1. Hartford is a foreign fire and casualty insurance company holding a certificate of authority to transact business in Texas.

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2. In May 2024, Hartford notified the department that it discovered an error in its automobile rates filed under SERFF Filing HART-133611169, effective May 20, 2023. Specifically, Hartford made an error related to certain base rates by territory. The error resulted in overcharges to certain policyholders.
3. Hartford represents that the impact of the error is still being reviewed, and estimates the overcharges affected more than 766 Texas policies and refunds are estimated to be more than \$13,000.
4. Hartford represents it will not recover premium from any policyholders who were undercharged.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 801.051–801.053, and 2251.101.
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. Hartford 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. Hartford violated TEX. INS. CODE § 2251.052.
5. Pursuant to TEX. INS. CODE § 82.053, the commissioner is authorized to direct Hartford to make complete restitution to each policyholder impacted by the violation.

Order

Hartford is ordered to comply with the following:

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- a. Hartford must identify all automobile insurance policies issued or renewed in Texas with effective dates from May 20, 2023, through July 6, 2024 (the Review Period).
- b. For each policy in the Review Period, Hartford must calculate the Corrected Premium using the corrected rates. If the premium charged is more than the Corrected Premium, the difference constitutes the "Overcharge."
- c. Hartford must pay restitution in the form of a company check or account credit to each policyholder identified in the Review Period as having an Overcharge (the Qualifying Policyholders). The restitution check or account credit must include both the dollar amount of the overcharge, plus simple interest due on the overcharge. The rate of interest is 5% per annum.
- d. Hartford must mail the restitution checks or issue the account credits to the Qualifying Policyholders on or before August 31, 2024.
- e. Any restitution checks that are returned to Hartford with an address correction must be promptly resent to the correct address. Funds from any restitution checks that are returned thereafter for incorrect addresses and from checks that are not negotiated must be reported and delivered to the comptroller pursuant to the procedures and deadlines set forth in TEX. PROP. CODE §§ 72.001 *et. seq.*, 73.001 *et. seq.*, and 74.001 *et. seq.*
- f. On or before October 31, 2024, Hartford must report the restitution paid to the Qualifying Policyholders by submitting a complete and sortable electronic spreadsheet to the department. The spreadsheet must contain the following information:
 - i. policy number;
 - ii. policyholder name;
 - iii. policyholder address;
 - iv. effective date of the policy;
 - v. expiration date of the policy;
 - vi. amount of Overcharge;
 - vii. dollar amount of simple interest;
 - viii. amount of Overcharge and interest;
 - ix. date(s) of mailing of restitution check or credits;
 - x. the total sum of all Overcharges;

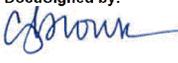
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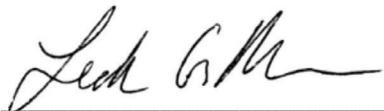
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- xi. the total sum of all simple interest; and
 - xii. the total sum of all restitution paid (total Overcharges plus the total of the simple interest).
- g. Hartford must send all submissions required under the terms of this order by email to: EnforcementReports@tdi.texas.gov.

DocuSigned by:

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Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Mandy Meesey, Associate Commissioner
Enforcement

