

No. 2026-9871

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

Date: 04/08/2026

Subjects Considered:

Travelers Personal Insurance Company
Travelers Commercial Insurance Company
The Travelers Home and Marine Insurance Company
Travelers Personal Security Insurance Company
1 Tower Sq
Hartford, Connecticut 06183-0001

Travelers Lloyds of Texas Insurance Company
1301 East Collins Blvd
Richardson, Texas 75081

Consent Order
TDI Enforcement File Nos. 36503, 38254, 38255, 38480, and 38481

General remarks and official action taken:

This is a consent order with Travelers Personal Insurance Company, Travelers Commercial Insurance Company, The Travelers Home and Marine Insurance Company, Travelers Lloyds of Texas Insurance Company, and Travelers Personal Security Insurance Company (collectively, "The Travelers Companies"). The Travelers Companies assigned a premium consequence to homeowners policies for losses with properly remediated appliance-related claims. The Travelers Companies have agreed to pay an administrative penalty of \$70,000, jointly and severally, and restitution to the affected policyholders.

Waiver

The Travelers Companies acknowledge that the Texas Insurance Code and other applicable law provide certain rights. The Travelers Companies waive all of these rights,

2026-9871

Commissioner's Order

Travelers Personal Insurance Company, et al

Page 2 of 12

and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

1. Travelers Personal Insurance Company, Travelers Commercial Insurance Company, The Travelers Home and Marine Insurance Company, and Travelers Personal Security Insurance Company are all foreign fire and casualty companies holding certificates of authority to transact business in Texas.
2. Travelers Lloyds of Texas Insurance Company is a domestic Lloyds company operating as a property and casualty insurer and currently holds a certificate of authority to transact business in Texas.
3. TEX. INS. CODE § 544.353 prohibits an insurer from using a prior appliance-related claim filed as a basis for determining the rate to be paid if the prior appliance-related claim was properly remediated and was inspected and certified by a person knowledgeable and experienced in remediation of water damage.
4. 28 TEX. ADMIN. CODE § 21.1004 prohibits a rating plan regarding residential insurance from assigning any premium consequence through a premium surcharge or claims free program based on claims resulting from a loss caused by natural cases, claims not paid or payable, or claims prohibited by TEX. INS. CODE § 544.353.

Travelers Lloyds of Texas Insurance Company and Travelers Personal Security Insurance Company

5. Travelers Lloyds of Texas Insurance Company and Travelers Personal Security Insurance Company's rate filings associated with their Legacy homeowners product includes a claims free discount. The discount includes a condition that the risk remain claims free. There was no exception for properly remediated appliance-related claims.
6. Travelers Lloyds of Texas Insurance Company and Travelers Personal Security Insurance Company updated their systems to exclude most properly remediated appliance-related claims that occurred while the policyholder was insured by a Travelers company, effective May 18, 2025.

2026-9871

Commissioner's Order

Travelers Personal Insurance Company, et al

Page 3 of 12

7. Travelers Lloyds of Texas Insurance Company and Travelers Personal Security Insurance Company represent that the May 2025 update inadvertently overlooked the losses related to appliance supply lines and an additional system update to address the issue was implemented, effective February 15, 2026.
8. The two system updates eliminated the premium consequence for properly remediated appliance-related claims that occurred while the policyholder was insured by a Travelers company.

Travelers Commercial Insurance Company and The Travelers Home and Marine Insurance Company

9. Travelers Commercial Insurance Company and The Travelers Home and Marine Insurance Company's rate filings associated with their Texas Quantum Homeowners 1.0 product include a Loss Surcharge Rule, Loss Free Discount Rule, and Tier Rule. Each rule included a premium consequence based on certain losses or claims. There was no exception for properly remediated appliance-related claims.
10. Travelers Commercial Insurance Company and The Travelers Home and Marine Insurance Company's updated their systems to exclude properly re-mediated appliance-related claims that occurred while the policyholder was insured by a Travelers company, effective May 18, 2025.
11. Travelers Commercial Insurance Company and The Travelers Home and Marine Insurance Company represent that the May update inadvertently overlooked the losses related to appliance supply lines and an additional system update to address the issue was implemented, effective February 15, 2026.
12. The two system updates eliminated the premium consequence for properly remediated appliance-related claims that occurred while the policyholder was insured by a Travelers company. Travelers Commercial Insurance Company and The Travelers Home and Marine Insurance Company updated the rules in SERFF TRVA-125232861.

Travelers Personal Insurance Company

13. Travelers Personal Insurance Company's rate filings associated with its Texas Quantum Homeowners 2.0 product includes a Loss Surcharge Rule, Loss Free

2026-9871

Commissioner's Order

Travelers Personal Insurance Company, et al

Page 4 of 12

Discount Rule, and Tier Rule. Each rule includes a premium consequence based on certain losses or claims. There was no exception for properly remediated appliance-related claims.

14. Travelers Personal Insurance Company updated its system to exclude properly remediated appliance-related claims that occurred while the policyholder was insured by a Travelers company, effective May 18, 2025.
15. Travelers Personal Insurance Company represents that the May update inadvertently overlooked the losses related to appliance supply lines and an additional system update to address the issue was implemented, effective February 15, 2026.
16. The two system updates eliminated the premium consequence for properly remediated appliance-related claims that occurred while the policyholder was insured by a Travelers company.
17. Travelers Personal Insurance Company also updated its system to exclude properly remediated appliance-related claims that occurred prior to the insured becoming a Travelers' policyholder, effective August 17, 2025.
18. Travelers Personal Insurance Company updated the rules in SERFF Filing Numbers TRVD-G134211534 and TRVD-133952880.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 544.353, 801.051–801.053, and 941.001–941.103.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056, and TEX. INS. CODE §§ 36.104 and 82.055.
3. The Travelers 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.

2026-9871

Commissioner's Order

Travelers Personal Insurance Company, et al

Page 5 of 12

4. The Travelers Companies violated TEX. INS. CODE § 544.353 and 28 TEX. ADMIN. CODE § 21.1004(c) by assigning a premium consequence for properly remediated appliance-related claims.
5. Pursuant to TEX. INS. CODE § 82.053, the commissioner is authorized to direct the Travelers Companies to make complete restitution to each policyholder impacted by the violations.

Order

It is ordered that Travelers Personal Insurance Company, Travelers Commercial Insurance Company, The Travelers Home and Marine Insurance Company, Travelers Lloyds of Texas Insurance Company, and Travelers Personal Security Insurance Company pay, jointly and severally, an administrative penalty of \$70,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

The Travelers Companies are ordered to comply with the following:

- a. The Travelers Companies must identify all homeowners insurance policies issued or renewed in Texas with effective dates from January 1, 2022, through February 15, 2026 (the Review Period).
- b. For each policy in the Review Period, the Travelers Companies must calculate the Corrected Premium without assigning a premium consequence for appliance-related claims that were properly remediated. If the premium charged is more than the Corrected Premium, the difference constitutes the "Overcharge."
- c. The Travelers Companies 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. The Travelers Companies must mail the restitution checks or issue the account credits to the Qualifying Policyholders on or before September 1, 2026.

2026-9871

Commissioner's Order

Travelers Personal Insurance Company, et al

Page 6 of 12

- e. Any restitution checks that are returned to the Travelers Companies 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 December 15, 2026, the Travelers Companies 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. issuing company;
 - ii. policy number;
 - iii. policyholder name;
 - iv. policyholder address;
 - v. effective date of the policy;
 - vi. expiration date of the policy;
 - vii. amount of Overcharge;
 - viii. dollar amount of simple interest;
 - ix. amount of Overcharge and interest;
 - x. date(s) of mailing of restitution check or credits;
 - xi. the total sum of all Overcharges;
 - xii. the total sum of all simple interest; and
 - xiii. the total sum of all restitution paid (total Overcharges plus the total of the simple interest).

- g. The Travelers Companies must send all submissions required under the terms of this order by email to: EnforcementReports@tdi.texas.gov.

Signed by:

Amanda Crawford

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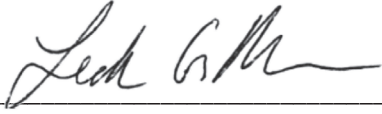
Amanda Crawford

Commissioner of Insurance

2026-9871

Commissioner's Order
Travelers Personal Insurance Company, et al
Page 7 of 12

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Mandy Meesey, Associate Commissioner
Enforcement

Affidavit

STATE OF Connecticut §

COUNTY OF Hartford §

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

"My name is Christine Palmieri. 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 Vice President and am the authorized representative of
Travelers Commercial Insurance Company. I am duly authorized by said organization to
execute this statement.

Travelers Commercial 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."

Christine Palmieri
Affiant

SWORN TO AND SUBSCRIBED before me on March 16, 2026.

(NOTARY SEAL)

Lori H. Cabrila
Signature of Notary Public
Lori H. Cabrila
Printed Name of Notary Public



