

No. **2026-9874**

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

Date: 04/08/2026

Subject Considered:

American Family Connect Property and Casualty Insurance Company
6000 American Pkwy
Madison, WI 53783-0001

Consent Order
TDI Enforcement File No. 38208

General remarks and official action taken:

This is a consent order with American Family Connect Property and Casualty Insurance Company (American Family). American Family self-reported to the department that it discovered a rating error for certain homeowner and automobile policies. American Family has agreed to pay restitution, with interest, to the policyholders who were overcharged.

Waiver

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

Findings of Fact

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

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2. In December 2025, American Family notified the department that it discovered a rating error for certain homeowner and automobile policies. The error caused certain policies to be overcharged.
3. Specifically, American Family contracted with a third-party vendor to provide a custom credit scoring model to be used by American Family. During the model development process, the vendor inadvertently included prohibited data in its model related to medical debt. The vendor later removed the prohibited data from the model.
4. American Family represents that the overcharges affected more than 3,900 Texas policies.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 559.101, 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, and TEX. INS. CODE §§ 36.104 and 82.055.
3. American Family 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. American Family violated TEX. INS. CODE § 559.101 by using medical debt as a negative factor in its credit scoring methodology.
5. Pursuant to TEX. INS. CODE § 82.053, the commissioner is authorized to direct American Family to make complete restitution to each policyholder impacted by the violations.

Order

American Family Connect Property and Casualty Insurance Company is ordered to comply with the following:

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- a. American Family must identify all homeowner and personal automobile insurance policies that it issued or renewed in Texas with effective dates from October 1, 2019, through October 1, 2025 (the Review Period).
- b. For each policy in the Review Period, American Family must calculate the corrected premium without considering medical debt as a negative factor in its credit scoring methodology. If the premium charged is more than the corrected premium, the difference constitutes the "Overcharge."
- c. American Family 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. American Family must mail the restitution checks or issue the account credits to the Qualifying Policyholders on or before June 1, 2026.
- e. Any restitution checks that are returned to American Family 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 August 1, 2026, American Family 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. impacted policy term(s);
 - 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;

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- x. the total sum of all Overcharges;
 - 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. American Family must send all submissions required under the terms of this order by email to: EnforcementReports@tdi.texas.gov.

Signed by:

FE10434BC41A470...
Amanda Crawford
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Mandy Meesey, Associate Commissioner
Enforcement

Affidavit

STATE OF WISCONSIN §
§
COUNTY OF DANE §

Before me, the undersigned authority, personally appeared Lauren K. Powell, who being by me duly sworn, deposed as follows:

"My name is Lauren K. Powell. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

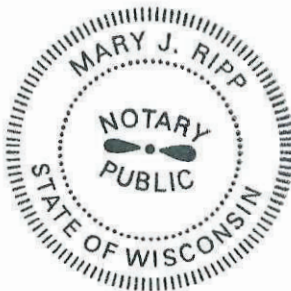
I hold the office of Secretary and am the authorized representative of American Family Connect Property and Casualty Insurance Company. I am duly authorized by said organization to execute this statement.

American Family Connect Property and Casualty 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."

[Signature]
Affiant

SWORN TO AND SUBSCRIBED before me on March 31, 2026.

(NOTARY SEAL)



Mary J. Ripp
Signature of Notary Public

Mary J. Ripp
Printed Name of Notary Public