

No. **2026-9883**

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

Date: 04/16/2026

Subject Considered:

Mid-Century Insurance Company of Texas
6301 Owensmouth Ave
Woodland Hills, California 91367

Consent Order
TDI Enforcement File No. 38214

General remarks and official action taken:

This is a consent order with Mid-Century Insurance Company of Texas (Mid-Century). The department discovered rating errors for certain personal automobile policies. Mid-Century has agreed to pay an administrative penalty of \$75,000 and restitution, with interest, to the policyholders who were overcharged.

Waiver

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

Findings of Fact

1. Mid-Century is a domestic fire and casualty insurance company holding a certification of authority.

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Use of Non-Chargeable Violations in Calculation of Premium

2. Section 1953.051(a) of the Texas Insurance Code prohibits a rating plan for automobile insurance from assigning a rate consequence to or otherwise causing premiums to be increased because of a charge or conviction for a violation of Subtitle C, Title 7, Transportation Code (non-chargeable traffic violations).
3. During the review of private passenger automobile rate filings for Mid-Century, the department found that the company was assigning a rate consequence or otherwise causing premiums to be increased by using non-chargeable traffic violations.
4. Mid-Century's personal automobile rate filings included Rule G-19, Chargeable Activity Count, which applies a surcharge for chargeable accidents and major violations. The company was applying a broad definition for major violations, which included violations that are part of the Texas Transportation Code that companies are prohibited from using for a premium or rate consequence.
5. After correspondence with the department, Mid-Century revised its rate rule manual on July 11, 2025, to address the violation. Mid-Century represents no policies were impacted by this violation.

Rating Error – Lack of Prior Insurance

6. Texas law, under 28 TEX. ADMIN. CODE § 5.401(b), prohibits insurers from using an applicant's lack of prior insurance in determining the appropriate rate for private passenger automobile liability insurance where the applicant has not been operating an uninsured motor vehicle in the state for more than 30 days during the 12 months immediately preceding the date of the application.

Underwriting Tier

7. Mid-Century's personal automobile rate filings consider a policyholder's prior insurance, including any lapse in insurance over 30 days, in the company's tier placement in Rule R-25 by considering "number of days lapse" and "prior lapse count." Tier placement affected the final premium a policyholder paid.

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8. Mid-Century represented that it implemented corrective measures to its underwriting tier in July 2023, to address the violation. Mid-Century represents the total number of policies impacted by this violation is 1,634.

Early Shopping Factor

9. Mid-Century's personal automobile rate filings consider a policyholder's lack of prior insurance or lapse in coverage in the company's tier placement in Rule R-32, Early Shopping Factor.
10. After correspondence with the department, Mid-Century removed the lapse in coverage condition from its rate rule manual on July 25, 2025, to address the violation. Mid-Century represents no policies were impacted by this violation.

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 1953.101.
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. Mid-Century 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. Mid-Century violated TEX. INS. CODE § 1953.051(a) by assigning a rate consequence for non-chargeable violations.
5. Mid-Century violated 28 TEX. ADMIN. CODE § 5.401 by assigning a rate consequence to an applicant's lack of prior insurance without having specific evidence that the applicant had been operating an uninsured motor vehicle in the state for more than 30 days.
6. Pursuant to TEX. INS. CODE § 82.053, the commissioner is authorized to direct Mid-Century to make complete restitution to each policyholder impacted by the violations.

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Order

It is ordered that Mid-Century Insurance Company of Texas pay an administrative penalty of \$75,000 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.

It is further ordered that Mid-Century Insurance Company review all automobile rate filings for compliance with 28 TEX. ADMIN. CODE § 5.401(b). Mid-Century Insurance Company must make any filings necessary to achieve compliance with 28 TEX. ADMIN. CODE § 5.401(b) and report to the department within 30 days of the date of this order.

It is further ordered that Mid-Century Insurance Company of Texas comply with the following:

- a. Mid-Century Insurance Company of Texas must identify all personal automobile insurance policies that it issued or renewed in Texas with effective dates from May 25, 2022, through December 31, 2025, or through the date policies are issued in compliance with 28 TEX. ADMIN. CODE § 5.401(b), whichever is later (the Review Period).
- b. For each policy in the Review Period, Mid-Century Insurance Company of Texas must calculate the corrected premium without assigning a rate consequence or premium consequence because of a non-chargeable violation and without assigning a rate consequence to an applicant's lack of prior insurance without having specific evidence that the applicant had been operating an uninsured motor vehicle in the state for more than 30 days. If the premium charged is more than the corrected premium, the difference constitutes the "Overcharge."
- c. Mid-Century Insurance Company of Texas 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. Mid-Century Insurance Company of Texas must mail the restitution checks or issue the account credits to the Qualifying Policyholders on or before June 1, 2026.

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- e. Any restitution checks that are returned to Mid-Century Insurance Company of Texas 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, Mid-Century Insurance Company of Texas 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;
 - 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. Mid-Century Insurance Company of Texas must send all submissions required under the terms of this order by email to: EnforcementReports@tdi.texas.gov.

Signed by:

Amanda Crawford

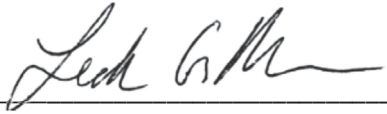
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Amanda Crawford
Commissioner of Insurance

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Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Mandy Meesey, Associate Commissioner
Enforcement

Affidavit

STATE OF Florida §
§
COUNTY OF Miami-Dade §

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

"My name is Marika Maniatis. 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 Assistant Secretary and am the authorized representative of Mid-Century Insurance Company of Texas. I am duly authorized by said organization to execute this statement.

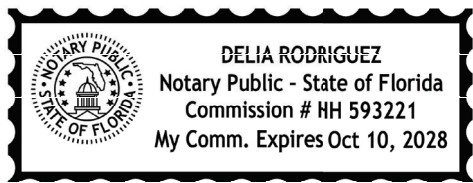
Mid-Century Insurance Company of Texas has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the State of Texas."

Marika Maniatis

Affiant

SWORN TO AND SUBSCRIBED before me on April, 2, 2026.

(NOTARY SEAL)



Delia Rodriguez

Signature of Notary Public

Delia Rodriguez

Printed Name of Notary Public