

No. _____

**OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE**

Date: _____

Subject Considered:

INTEGON INDEMNITY CORPORATION
INTEGON NATIONAL INSURANCE COMPANY
P.O. Box 3199
Winston Salem, NC 27105

CONSENT ORDER

TDI ENFORCEMENT FILE NOS. 14450 and 14461

General remarks and official action taken:

This order is in consideration of whether disciplinary action should be taken against Integon Indemnity Corporation and Integon National Insurance Company.

WAIVER

Integon Indemnity and Integon National acknowledge that the Texas Insurance Code and other applicable law provide certain rights. Integon Indemnity and Integon National waive all of these rights and any other applicable procedural rights in consideration of the entry of this consent order.

FINDINGS OF FACT

1. Integon Indemnity is a foreign fire and casualty insurer domiciled in the state of North Carolina and has been licensed by the Texas Department of Insurance since May 16, 1975.
2. Integon National is a foreign fire and casualty insurer domiciled in the state of North Carolina and has been licensed by the Texas Department of Insurance since March 28, 1989.
3. Integon Indemnity and Integon National are part of Amtrust NGH Group, and will herein be referred to as "Amtrust NGH Group."
4. TDI conducted an evaluation in August 2017, to determine the adequacy of Amtrust NGH Group's Texas loss control program for commercial automobile liability insurance. The evaluation resulted in an inadequate rating for Amtrust NGH Group.

5. TDI's 2017 evaluation found the following deficiencies:
 - a. The loss information on Amtrust NGH Group's list of insureds did not match the loss information later provided on Amtrust NGH Group's worksheets and loss runs. The list of insureds included non-liability losses, were not applicable to the inspection.
 - b. Amtrust NGH Group was unable to demonstrate an effective process for regular reviewing of insured's losses for consideration of loss control information or services prior to non-renewing the policies for loss history.
 - c. Amtrust NGH Group failed to provide documentation supporting its consideration of provision of loss control information or services unique to losses in the applicable insured files and worksheets.
 - d. Amtrust NGH Group's first set of worksheets provided to TDI lacked insured files, loss runs, and detailed information on the worksheets. Amtrust NGH Group later supplemented its submission with loss runs and revised worksheets.

CONCLUSIONS OF LAW

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 84.021-84.044, 801.051-801.056, 1903.051, and 1952.058; and 28 TEX. ADMIN. CODE §§ 5.301-5.311 and 5.1721-5.1731.
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. Pursuant to TEX. INS. CODE §1952.058, an insurer must provide loss control information to policy holders as a prerequisite to writing professional liability, medical professional insurance for insureds other than hospitals, general liability insurance, and commercial automobile liability insurance in Texas. The loss control information must be reasonably commensurate with the risks, exposures, and experience of the insured's business.
4. Additional loss control information to be provided by insurers writing the above listed insurance is further described in 28 TEX. ADMIN. CODE §§ 5.301-5.302.
5. Pursuant to 28 TEX. ADMIN. CODE § 5.303, at least every two years the department conducts an evaluation of the loss control information and services of each insurer writing commercial automobile liability insurance.
6. IAT Reinsurance Group violated TEX. INS. CODE §1952.058 and 28 TEX. ADMIN. CODE §§ 5.301 and 5.311.

COMMISSIONER'S ORDER
Integon Indemnity, et. al.
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It is ordered that Integon Indemnity Corporation and Integon National Insurance Company pay, jointly and severally, an administrative penalty of \$25,000 within 30 days from the date of this order. The payment must be paid by cashier's check or money order made payable to the "State of Texas" and sent 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

Sarah White
Staff Attorney, Enforcement Section
Texas Department of Insurance


AFFIDAVIT

STATE OF North Carolina §

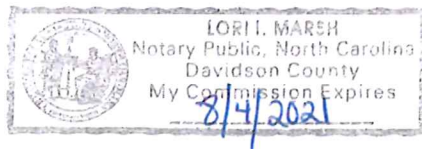
COUNTY OF Forsyth §

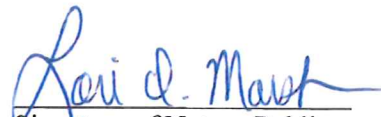
BEFORE ME, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

1. "My name is Dale E. Guiter. I am of sound mind, capable of making this statement, and personally acquainted with the facts stated herein.
2. I hold the office of Compliance Attorney. I am the authorized representative of Integon Indemnity Corporation and am duly authorized to execute this affidavit.
3. Integon Indemnity Corporation waives rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner of insurance of the state of Texas.
4. Integon Indemnity Corporation has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the foregoing consent order by the commissioner of insurance of the state of Texas."


Affiant

SWORN TO AND SUBSCRIBED before me on this 14th day of November, 2017.




Signature of Notary Public

(NOTARY STAMP)

AFFIDAVIT

STATE OF North Carolina §

COUNTY OF Forsyth §

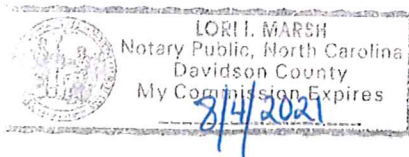
BEFORE ME, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

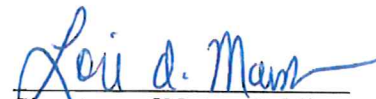
5. "My name is DALE R GURIN. I am of sound mind, capable of making this statement, and personally acquainted with the facts stated herein.
6. I hold the office of Compliance Attorney. I am the authorized representative of Integon National Insurance Company and am duly authorized to execute this affidavit.
7. Integon National Insurance Company waives rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner of insurance of the state of Texas.
8. Integon National Insurance Company has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the foregoing consent order by the commissioner of insurance of the state of Texas."



Affiant

SWORN TO AND SUBSCRIBED before me on this 24th day of November, 2017.




Signature of Notary Public

(NOTARY STAMP)

