

No. **2021-6990**

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

**Date: 09/27/2021**

**Subject Considered:**

American Bankers Insurance Company of Florida  
11222 Quail Roost Drive  
Miami, Florida 33157-6596

Consent Order  
TDI Enforcement File No. 27711

**General remarks and official action taken:**

This is a consent order with American Bankers Insurance Company of Florida (ABI). ABI violated several provisions of the Texas Insurance Code as found in a targeted market conduct examination. ABI has agreed to pay a \$45,000 administrative penalty for these violations.

**Waiver**

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

**Findings of Fact**

1. ABI, company identification no. 176, is a fire and casualty company holding a certificate of authority to transact business in Texas.
2. The Texas Department of Insurance (department) conducted a market conduct examination for the period of January 1, 2018, through December 31, 2018. The examination reviewed the sales, advertising and marketing, underwriting and rating, claims practices, and consumer complaints/inquiries of ABI's homeowners' business.

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3. The purpose of the examination was to verify compliance with the Texas Insurance Code and Title 28 of the Texas Administrative Code.
4. During the exam, the department found violations of the Texas Insurance Code and Texas Administrative Code in the sample of policies and claims reviewed.

## Agents' Licensing and Appointments

5. In six percent of the policies reviewed, ABI issued policies where the agent or agency was not appointed to act as an agent or agency for ABI.

## Cancellations and Non-renewals

6. ABI cancelled one policy in effect for more than 59 days without a valid reason.
7. ABI cancelled one policy in effect for less than 60 days without a valid reason.
8. In 12 cancellations reviewed, ABI failed to provide sufficient time for the cancellation notice to the insured.

## Claims

9. The examination reviewed ABI's claim files for compliance with policy provisions, timeliness and accuracy of payments, supporting documentation, general claim handling, and legal compliance. Sampled claims included paid claims, denied or closed without payment claims, and pending and litigated claims.
10. A review of claims found that ABI:
  - a. Failed to timely notify the insured in writing of the settlement of the claim in one claim reviewed.
  - b. Failed to timely notify the insured in writing of acceptance of a claim in one claim reviewed.
  - c. Failed to adopt and implement reasonable standards for the prompt investigation of claims in four claims reviewed.
  - d. Did not attempt in good faith to affect a prompt, fair, and equitable settlement of the submitted claim in which liability was reasonably clear in one claim reviewed.

- e. Failed to acknowledge with reasonable promptness communications relating to the claim in one claim reviewed.

Consumer Complaints/Inquiries

11. The examination reviewed ABI's complaint files for legal compliance. There were 30 complaints reviewed and seven were considered confirmed.
12. ABI failed to notify a claimant in writing of the acceptance of a claim in seven percent of the complaints reviewed.

**Conclusions of Law**

1. The commissioner of insurance has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, and 84.021-84.044, and chs. 751, 861 and 862.
2. The commissioner of insurance has authority to informally dispose of this matter under TEX. INS. CODE § 82.055, TEX. GOV'T CODE § 2001.056, and 28 TEX. ADMIN. CODE § 1.47.
3. ABI 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. ABI violated TEX. INS. CODE § 4001.201 by allowing an unappointed person to act as an agent.
5. ABI violated TEX. INS. CODE § 551.104 because it cancelled policies for a reason not allowed by statute or rule.
6. ABI violated TEX. INS. CODE § 551.104(e) because it did not provide the cancellation notice to the insured at least ten days before the date of cancellation.
7. ABI violated TEX. INS. CODE § 542.003(b)(3) because it failed to adopt and implement reasonable standards for the prompt investigation of claims arising under its policies.

8. ABI violated TEX. INS. CODE § 542.003(b)(4) because it did not attempt in good faith to affect a prompt, fair, and equitable settlement of the claim submitted in which liability was reasonably clear.
9. ABI violated TEX. INS. CODE § 542.056(a) because it failed to notify the insured in writing of the acceptance of the claim not later than the 15th business day after the date it was received.
10. ABI violated TEX. INS. CODE § 542.153(b) because it failed to notify the insured in writing of settling a claim not later than the 30th day after it was settled.

**Order**

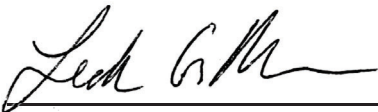
It is ordered that American Bankers Insurance Company of Florida pay an administrative penalty of \$45,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

DocuSigned by:  
  
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Cassie Brown  
Commissioner of Insurance

Recommended and reviewed by:



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Leah Gillum, Deputy Commissioner  
Enforcement Division



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Patrick Quigley, Staff Attorney  
Enforcement Division

**Affidavit**

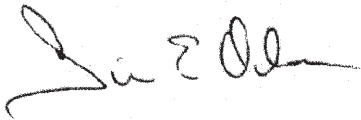
**THE STATE OF FLORIDA** §

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**COUNTY OF MIAMI-DADE** §

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

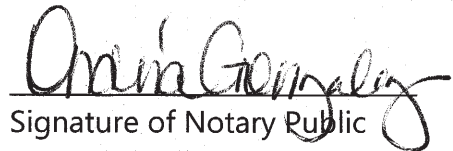
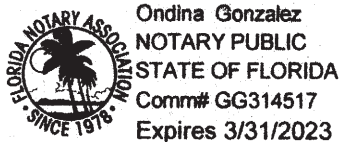
1. "My name is Dina Olsen. I am of sound mind, capable of making this statement, and personally acquainted with the facts stated herein.
2. I hold the office of Vice President. I am the authorized representative of American Bankers Insurance Company of Florida and am duly authorized to execute this affidavit.
3. American Bankers Insurance Company of Florida has knowingly and voluntarily entered into the foregoing consent order and agree with and consent to the issuance and service of the foregoing consent order by the commissioner of insurance of the state of Texas."



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Affiant

SWORN TO AND SUBSCRIBED before me on August 19, 2021.

(NOTARY SEAL)

  
Signature of Notary Public

Ondina Gonzalez  
Printed Name of Notary Public