

No. 2022-7272

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

Date: 03/22/2022

Subjects Considered:

The Ambassador Group LLC
d/b/a Ambassador Captive Solutions
[REDACTED]
Louisville, Kentucky 40241

Brandon M. White
[REDACTED]
La Grange, Kentucky 40031-8645

Consent Order
TDI Enforcement File Nos. 26354 & 26355

General remarks and official action taken:

This is a consent order with The Ambassador Group LLC d/b/a Ambassador Captive Solutions (Ambassador) and Brandon M. White (White). The department alleges that Ambassador allowed White, an unlicensed person, to perform acts which constitute the business of insurance. The department further alleges that Ambassador and White engaged in fraudulent or dishonest acts or practices in violation of the Texas Insurance Code. Ambassador and White agree to cease and desist from engaging in the business of insurance in the State of Texas and forfeit any and all rights either may have to apply for any license to engage in the business of insurance in this State in any capacity.

Waiver

Ambassador and White acknowledge that the Texas Insurance Code and other applicable laws provide certain rights. Ambassador and White waive all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order. Under TEX. INS. CODE § 82.055(b), Ambassador and White agree to this consent order with the

express reservation that they do not admit to a violation of the Texas Insurance Code or of a rule and that the existence of a violation is in dispute.

Findings of Fact

1. Ambassador is a Kentucky limited liability company with a principal place of business at [REDACTED] Louisville, Kentucky 40241.
2. Ambassador is in the business of providing consulting services to clients seeking alternative forms of risk insurance such as captive insurance programs.
3. Ambassador previously held a general lines agency license with property and casualty qualification issued by the department on June 5, 2018. Ambassador voluntarily surrendered its license to the department on October 16, 2020.
4. White is a Kentucky resident residing at [REDACTED] Lagrange, Kentucky 40031.
5. White is the founder, an owner and the president of Ambassador.
6. White does not hold, and has never held, a permit, certificate, registration, license, or other authority under the Texas Insurance Code to engage in the business of insurance in the State of Texas.

Madera Program

7. Madera Residential, Ltd. (Madera) is a Texas real estate investment company that operates more than fifty large-scale real estate developments throughout the State of Texas, consisting of more than 1,000 apartment units. Madera is located at [REDACTED] [REDACTED] Lubbock, Texas 79424.
8. On October 24, 2017, Madera entered into a Captive Services Agreement (Agreement) with Ambassador. Under the Agreement, Ambassador was to assist Madera in forming a captive insurance company for the purpose of providing property and personal liability protection insurance to tenants of properties owned by Madera through a third-party (the Madera Program).

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9. In connection with the Madera Program, Ambassador understood that it had received affirmative representations from Lexington Insurance Company (Lexington), an eligible Texas surplus lines insurer and subsidiary of AIG, that it would act as the fronting carrier for the Madera Program and enter into a facultative reinsurance agreement with Smart Insure SP (Smart Insure), Madera's captive insurance company.
10. White, on behalf of Ambassador, advised the insurance agency acting as the broker for Madera, that Lexington would act as the fronting carrier for the Madera Program. White further advised that the master policy, with policy number LH1274980, would be under the license of 21st Century Indemnity Company and advised this was also an AIG company.
11. LH1274980 was not a valid policy number for 21st Century Indemnity or any other AIG company, including Lexington.
12. Lexington and AIG maintain that they did not agree to be the fronting carrier for the Madera Program. Further, Lexington and AIG maintain that they did not receive any premium, fees, or other compensation in connection with the Madera Program.
13. Based on the information received from White and Ambassador, certificates of insurance were issued to Texas residents with policy number LH1274980 and Lexington as the named fronting carrier.
14. State National Insurance Company (State National) is a Texas company with a principal place of business of [REDACTED] Bedford, Texas 76021, and is an authorized Texas domestic insurer.
15. After Lexington indicated that it was not acting as the fronting carrier for the Madera Program, White, on behalf of Ambassador, then advised the broker for Madera that State National had agreed to act as the new fronting carrier for the Madera Program and that all policies issued would be backdated with State National as the fronting carrier.
16. At no time has State National had an agreement to be the issuing carrier for the Madera Program. State National has not received any premium, fees, or other compensation in connection with the Madera Program.

17. Ambassador and White have issued or caused to be issued thousands of certificates of insurance to Texas residents purporting to provide coverage by State National Insurance Company to Texas insureds as part of the Madera Program.
18. Ambassador and White represent that there is no restitution due and that there are no unpaid or outstanding claims from the Madera Program.
19. Ambassador and White represent and the Department was able to confirm that there is a valid fronting carrier in place for Smart Insure and the Madera Program that covers the risks from the inception of the program.

Conclusions of Law

1. The commissioner has jurisdiction pursuant to TEX. INS. CODE §§ 82.052, 101.102, 101.103, 101.151, 4001.101, 4005.107 and 4051.051; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has the authority to dispose of this case informally pursuant to the provisions of TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. Ambassador and White 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.
4. White does not hold any license or authorization to perform the acts of an agent or engage in the business of insurance in the State of Texas and has engaged in the unauthorized business of insurance, in violation of TEX. INS. CODE §§ 101.102 and 4001.101.
5. White, an unlicensed employee of Ambassador, violated TEX. INS. CODE § 4001.101(d) by performing acts of an agent as defined in TEX. INS. CODE § 4001.051.
6. Ambassador allowed an unlicensed employee to engage in the business of insurance, in violation of TEX. INS. CODE §§ 101.102 and 4001.101.

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7. Ambassador has engaged in fraudulent or dishonest acts or practices by and through an unlicensed employee, as defined in TEX. INS. CODE § 4005.101(b)(5).

Order

Ambassador and White, individually or on behalf of any licensed or unlicensed individual or entity, are ordered to immediately cease and desist from:

1. Engaging in or transacting the unauthorized business of insurance in the State of Texas, including acting as a captive intermediary for programs that involve the issuance of policies to State of Texas insureds;
2. Advertising insurance-related services;
3. Seeking, soliciting, pursuing and obtaining any insurance business in the State of Texas;
4. Participating, directly or indirectly, in any act of an insurance agent or insurance company seeking, soliciting, pursuing, and obtaining any unauthorized trust, annuity, or other insurance business in the State of Texas;
5. Soliciting Texas residents by email, facsimile (fax), telephone, mail, or any other means to induce them to purchase any form of insurance product;
6. Offering to residents of the State of Texas a plan, contract, trust, annuity, or policy or coverage or any other form of insurance without submitting to examination by the Texas Department of Insurance to determine the organization and solvency of the person or the entity offering such insurance, and to determine whether or not such person or entity complies with all applicable provisions of the Texas Insurance Code;
7. Taking any action concerning funds which have been directly or indirectly collected, received, or derived from residents of the State of Texas, or which have been commingled with funds collected, received, or derived from residents of the State of Texas, except as directed by the Texas Department of Insurance;
8. Permitting any third party to take any action concerning funds which have been directly or indirectly collected, received, or derived from residents of the State of Texas, or which have been commingled with funds collected, received, or derived

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- from residents of the State of Texas, except as directed by the Texas Department of Insurance;
9. Taking or receiving any application for insurance, annuity, or other insurance related product, other than by a licensed insurance agent acting on behalf of an insurer possessing a Certificate of Authority to do the business of insurance in the State of Texas in compliance with all applicable statutes and regulations;
 10. Receiving or collecting any premium, commission, membership fees, assessments, dues, or other consideration for any insurance, annuity, or other insurance related product or any part thereof, without first complying fully with the statutes and regulations of the State of Texas and the Texas Department of Insurance;
 11. Issuing or delivering contracts of insurance, annuities, or other insurance related products to residents of the State of Texas or to persons authorized to do business in the State of Texas, without first complying fully with the statutes and regulations of the State of Texas or the Texas Department of Insurance;
 12. Directly or indirectly acting as an agent for or otherwise representing or aiding on behalf of any person or insurer in the solicitation, negotiation, procurement, or effectuation of insurance, annuity, or other insurance related product or renewals thereof or in the dissemination of information as to coverage rates, or forwarding of applications, or delivery of policies or contracts, or in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subject of insurance resident, located, or to be performed in the State of Texas, without first fully complying with the statutes and regulations of the State of Texas and the Texas Department of Insurance;
 13. Making, publishing, disseminating, circulating, or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine, website, or other publication, or in the form of a notice, circular, pamphlet, letter, brochure, poster, or over any radio or television station, or in any other way, an advertisement, announcement or statement concerning any assertion, representation or statement with respect to the business of insurance, which is untrue, deceptive, or misleading;
 14. Doing of any kind of business specifically recognized as constituting the doing of insurance business within the meaning of the statutes relating to insurance,

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without complying fully with the statutes and regulations of the State of Texas and the Texas Department of Insurance; and

15. Doing of or proposing to do any insurance business in substance equivalent to any of the acts defined in TEX. INS. CODE § 101.051 as doing the business of insurance in a manner designed to evade the provisions of the statute.

It is Ordered that Ambassador and White forfeit any and all rights either may have to apply for any license to engage in the business of insurance in the State of Texas in any capacity.

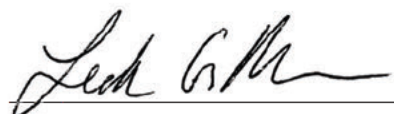
This Order is effective immediately and will continue in force and effect until further order of the Commissioner or the conditions set out herein have been met. This Order is binding on Ambassador and White, their agents, employees, and other representatives.

DocuSigned by:

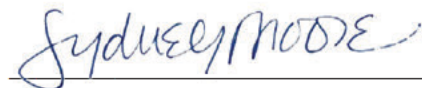
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Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:



Leah C. Mum, Deputy Commissioner
Enforcement Division

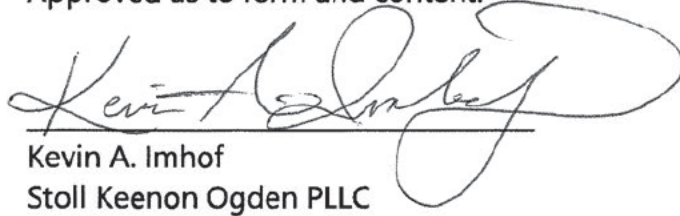


Sydney Moore, Staff Attorney
Enforcement Division

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Approved as to form and content:


Kevin A. Imhof
Stoll Keenon Ogden PLLC

Affidavit

STATE OF KENTUCKY §
 §
COUNTY OF JEFFERSON §

Before me, the undersigned authority, personally appeared on February 19, 2022, who being by me duly sworn, deposed as follows:

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

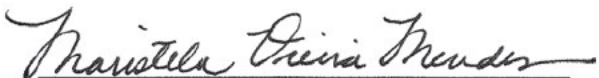
Brandon M. White has knowingly and voluntarily entered into the foregoing cease and desist order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the State of Texas."



Brandon M. White

SWORN TO AND SUBSCRIBED before me on February 19, 2022.

(NOTARY SEAL)



Signature of Notary Public

Maristela Vieira Mendes

Printed Name of Notary Public

notary # 623044
exp. 5/8/2023

Affidavit

STATE OF KENTUCKY §

§

COUNTY OF JEFFERSON §

Before me, the undersigned authority, personally appeared on February 19, 2022
who being by me duly sworn, deposed as follows:

"My name is Brandon White. 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 President and am the authorized representative of The Ambassador Group LLC, d/b/a Ambassador Captive Solutions. I am duly authorized by said organization to execute this statement.

The Ambassador Group LLC d/b/a Ambassador Captive Solutions 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."



Brandon M. White

SWORN TO AND SUBSCRIBED before me on February 19, 2022.

(NOTARY SEAL)



Signature of Notary Public

Maristela Vieira Mender

Printed Name of Notary Public

Notary
623044
exp. 5/8/2023