

No. **3896**

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

Date: APR 07 2015

**Subject Considered:**

GERARDO HERNANDEZ  
5864 N. Mesa, Suite B  
El Paso, Texas 79912

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 6397

**General remarks and official action taken:**

The commissioner of insurance considers whether disciplinary action should be taken against Gerardo Hernandez.

**Waiver**

Hernandez acknowledges that the Texas Insurance Code and other applicable law provide certain rights relating to the subject matter of any disciplinary proceeding and how it is conducted. Hernandez waives all of these rights in consideration of the entry of this consent order.

**Findings of Fact**

1. Hernandez, individual identification no. 21499, holds a general lines life, accident, and health license issued November 5, 1992, and a general lines property and casualty license issued March 13, 2001.
2. Hernandez engaged in the business of insurance using the assumed names El Paso Discount Insurance and EP Discount Insurance before he registered these trade names with TDI. Hernandez also operated El Paso Discount Insurance from two locations that were not registered as branch offices with TDI.
3. Hernandez employed two staff members to perform the acts of an insurance agent, knowing they did not hold an insurance license issued by TDI. These individuals no longer work for Hernandez.
4. On April 7, 2010, one of Hernandez's unlicensed employees provided a quote to Alejandro Chavez for a commercial general liability policy. Coverage was bound April 28, 2010. Chavez made four premium payments between May 2010 and July 2010 totaling \$628.95. However, the premium payments were not forwarded to the insurer. As a result, the policy was canceled for non-payment of premium.

5. On June 27, 2012, an unlicensed employee created an invoice for \$493 for a homeowner's policy to be issued to Francisco Rodarte. The employee provided the invoice to Rodarte and accepted the premium payment, but did not secure coverage.
6. Hernandez completed 0 of the required 30 hours of continuing education for his 2010-2012 and 2012-2014 reporting periods.

### Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.054, 84.021-84.022, 4005.101, and 4005.102.
2. The commissioner has the authority to dispose of this case informally pursuant to TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. Hernandez failed to register additional locations and assumed names with TDI, in violation of 28 TEX. ADMIN. CODE § 19.902(a).
4. Hernandez violated TEX. INS. CODE §§ 101.102 and 4001.101 because he allowed unlicensed employees to engage in the business of insurance.
5. Hernandez failed to complete 30 hours of continuing education for his 2010-2012 reporting period, in violation of TEX. INS. CODE §§ 4004.051 and 4004.053.

The commissioner orders Gerardo Hernandez to file Form LHL 203 (LDTL) to register additional locations and assumed names and pay a \$7,000 administrative penalty within 30 days from the date of this order. The administrative penalty must be paid by cashier's check or money order made payable to the "State of Texas." Mail the administrative penalty to Texas Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104. The commissioner also orders Gerardo Hernandez to verify the license status of employees before an employee performs the acts of an agent.



David C. Mattax

Commissioner of Insurance

For the Department:



Deea Western, Staff Attorney

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Affidavit

STATE OF Texas

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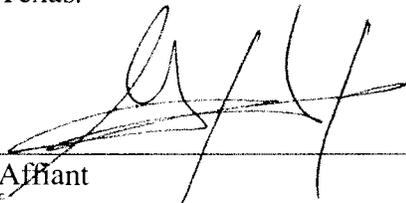
COUNTY OF El Paso

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

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

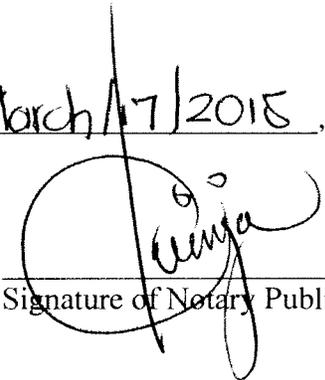
I waive rights provided by the Texas Insurance Code and other applicable law and acknowledge the jurisdiction of the commissioner.

I have knowingly and voluntarily entered into the foregoing consent order and agree with and consent to the issuance and service of the same by the commissioner of insurance of the state of Texas."

  
\_\_\_\_\_  
Affiant

SWORN TO AND SUBSCRIBED before me on March 17 / 2015, 2015.

(NOTARY STAMP)

  
\_\_\_\_\_  
Signature of Notary Public

