

No. **2016-4707**

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

Date: OCT 07 2016

Subject Considered:

ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.
Two Pierce Place, 23rd Floor
Itasca, Illinois 60143

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 11673

General remarks and official action taken:

The commissioner of insurance considers disciplinary action against Arthur J. Gallagher Risk Management Services, Inc. for failure to timely file new or renewal surplus lines insurance policies with the Surplus Lines Stamping Office of Texas.

Waiver

Arthur J. Gallagher Risk Management Services, Inc. acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Arthur J. Gallagher Risk Management Services, Inc. waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

Findings of Fact

1. Arthur J. Gallagher Risk Management Services, Inc., organization identification number 20339, holds a surplus lines license issued by the Texas Department of Insurance.
2. Pursuant to TEX. INS. CODE § 981.105(a), a surplus lines insurance agent must file with the Surplus Lines Stamping Office of Texas either:
 - a. a copy of the policy issued, or
 - b. if the policy has not yet been issued, a copy of the certificate, cover note, or other confirmation of insurance delivered to the insured.

This information is due not later than the 60th day after the later of the effective date or the issue date of new or renewal surplus lines insurance.

3. In 2015, Arthur J. Gallagher Risk Management Services, Inc. filed surplus lines policies late.

4. The commissioner previously disciplined Arthur J. Gallagher Risk Management Services, Inc. for violating TEX. INS. CODE § 981.105(a) in Official Order No. 12-0114, entered on February 6, 2012.

Conclusions of Law

1. The commissioner of insurance has jurisdiction over this matter pursuant to TEX. INS. CODE § 981.105.
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. Arthur J. Gallagher Risk Management Services, Inc. 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. Arthur J. Gallagher Risk Management Services, Inc. violated TEX. INS. CODE § 981.105(a) by failing to timely file new or renewal surplus lines policies and related documents.

The commissioner orders Arthur J. Gallagher Risk Management Services, Inc. to pay an administrative penalty of \$4,000. The administrative penalty must be paid 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 the Texas Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.

The commissioner further orders Arthur J. Gallagher Risk Management Services, Inc. to implement internal policies, procedures, and other safeguards designed to ensure future surplus lines policies and related documents are timely filed in compliance with TEX. INS. CODE § 981.105(a).



David C. Mattax
Commissioner of Insurance

For the Department:



Whitney A. Fraser, Staff Attorney

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COMMISSIONER'S ORDER
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Affidavit

THE STATE OF Illinois §

COUNTY OF DuPage §

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

"My name is Carl Fasig. 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 Vice President and am the authorized representative of Arthur J. Gallagher Risk Management Services, Inc. I am duly authorized by the organization to execute this statement.

Arthur J. Gallagher Risk Management Services, Inc. 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."

Carl E. Fasig
Affiant

SWORN TO AND SUBSCRIBED before me on August 31, 2016.

(NOTARY STAMP)

Jean M. Seymour-Kauss
Signature of Notary Public

