

No. 2017 - 5034

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

Date: APR 24 2017

Subject Considered:

INSURANCE 3 GROUP, INC.
4417 Belmont Ave
Dallas, Texas 75204

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 11233

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against Insurance 3 Group, Inc.

WAIVER

Insurance 3 Group, Inc. acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Insurance 3 Group, Inc. waives all of these rights in consideration of the entry of this consent order.

FINDINGS OF FACT

The commissioner makes the following findings of fact:

1. Insurance 3 Group, Inc., firm identification no. 14548, holds a general lines agency license with a property and casualty qualification, originally issued by the Texas Department of Insurance on July 17, 2001.
2. On June 1, 2015, Kyle Scott Boyd and Insurance 3 Group were given an official warning from the department for their insurance activities.
 - a. Kyle Scott Boyd, individual identification no. 298599, holds a general lines agent license with a property and casualty qualification and a surplus lines agent license. Boyd is the president of Insurance 3 Group.
 - b. In Enforcement Case Nos. 8723 and 8725, the department issued a formal warning letter to Boyd and Insurance 3 Group regarding their failure to refund unearned premiums and to properly respond to official requests for information from the department.

3. In July of 2014, Everguard Insurance Services, Inc., a licensed general lines and surplus lines agency, placed a policy for Clay Pot Restaurant with Western World Insurance Company. Clay Pot issued a check for \$2,453.84, the annual premium amount.
4. On January 23, 2015, Western World cancelled Clay Pot's policy for failure to comply with loss control recommendations and sent the premium refund check to Everguard.
5. On February 5, 2015, Everguard sent a premium refund check in the amount of \$902.16, the remaining premium balance, to Insurance 3 Group for Clay Pot. On February 25, 2015, Insurance 3 Group deposited the check into its account.
6. On September 24, 2015, Clay Pot submitted a complaint to the department stating that Insurance 3 Group failed to return its premium refund.
7. Insurance 3 Group failed to appropriately respond to official requests for information from the department dated February 16, 2016, May 16, 2016, and August 30, 2016, not later than the 15th day after receiving the requests. Insurance 3 Group also failed to properly respond to emails and phone calls related to the requested information.
8. Insurance 3 Group has now cooperated with the department in its investigation, and on September 16, 2016, Insurance 3 Group issued a refund to Clay Pot for \$902.16.

CONCLUSIONS OF LAW

The commissioner makes the following conclusions of law:

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.001-82.056, 84.021-84.022, 4005.101, 4005.102 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. Pursuant to TEX. INS. CODE § 4005.101(b)(4), the commissioner may take disciplinary action against Insurance 3 Group, Inc. because it misappropriated, converted to its own use, or illegally withheld money belonging to an insured.
4. Pursuant to TEX. INS. CODE § 4005.101(b)(5), the commissioner may take disciplinary action against Insurance 3 Group, Inc. because it engaged in fraudulent or dishonest acts or practices.
5. Pursuant to TEX. INS. CODE § 38.001, the commissioner may take disciplinary action against Insurance 3 Group, Inc. because it failed to respond to official department requests not later than the 15th day after receiving the requests.

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COMMISSIONER'S ORDER

Insurance 3 Group

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The commissioner of insurance orders Insurance 3 Group, Inc. to pay a \$3,000 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 the Texas Department of Insurance, Attn: Enforcement Section, Division 40111, MC 9999, P.O. Box 149104, Austin, TX 78714-9104.



Kevin Brady
Deputy Commissioner For Agency Affairs
Texas Department of Insurance
Delegation Order 4506

APPROVED AS TO FORM AND CONTENT:



Elissa Mazza for Stephanie Andrews
Staff Attorney
Enforcement Section
Texas Department of Insurance

Affidavit

STATE OF TEXAS

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§
§

COUNTY OF Dallas

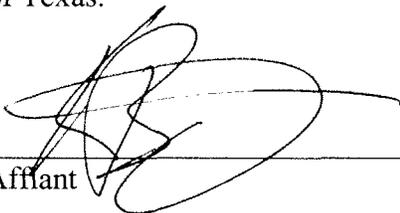
Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

“My name is Kyle Boyd. 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 Managing Member, and am the authorized representative of Insurance 3 Group, Inc. I am duly authorized by said agency to execute this statement.

Insurance 3 Group, Inc. waives rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner.

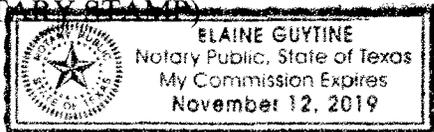
Insurance 3 Group, Inc. knowingly and voluntarily enters into this consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the State of Texas.”



Affiant

SWORN TO AND SUBSCRIBED before me on this 4th day of April, 2017.

(NOTARY STAMP)



Elaine Guytine
Signature of Notary Public