

No. 2017- 5191

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

Date: AUG 22 2017

**Subject Considered:**

TRAVELERS LLOYDS OF TEXAS INSURANCE COMPANY  
1301 East Collins Blvd.  
Richardson, Texas 75081

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 12367

**General remarks and official action taken:**

This Order is in consideration of whether disciplinary action should be taken against Travelers Lloyds of Texas Insurance Company which holds a certificate of authority issued by the department.

**WAIVER**

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

**FINDINGS OF FACT**

1. Travelers Lloyds is a domestic Lloyds company operating as a property and casualty insurer and currently holds a certificate of authority to transact business in Texas.
2. The department conducted a market conduct examination for the period of January 1, 2014, through December 31, 2014. The examination reviewed the sales, advertising and marketing, underwriting and rating, claims practices, and consumer complaints/inquiries for that period. The purpose of the examination was to verify compliance with the Texas Insurance Code, Chapter 28 of the Texas Administrative Code, and the Texas Personal Lines Manual (Homeowners Manual).
3. During the exam, the department found violations of the Texas Insurance Code.

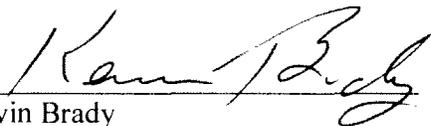
Sales, Advertising and Marketing review

4. Travelers Lloyds appointed 10,438 active agents and terminated 1,936 agents during the examination period.
5. A review of 100 issued policies reflected that 28 producing agents were not appointed to Travelers Lloyds.
6. The review also reflected that two producing agents were not properly licensed.

CONCLUSIONS OF LAW

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE chs. 751 and 941; TEX. INS. CODE §§ 82.051-82.055 and 84.021-84.051; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has the authority to dispose of this matter informally, as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. Travelers Lloyds waives all procedural requirements for the entry of an order in this matter, including but not limited to the issuance and service of a notice of intention to institute disciplinary action, a notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Travelers Lloyds violated TEX. INS. CODE § 4001.201 because 28 producing agents were not appointed to Travelers Lloyds during the examination period.
5. Travelers Lloyds violated TEX. INS. CODE § 4001.101 because two producing agents were not properly licensed during the examination period.

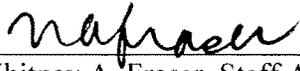
It is ordered that Travelers Lloyds of Texas Insurance Company pay a \$10,000 administrative penalty within 30 days from the date of this order. The administrative penalty must be paid by cashier's check or money order payable to the State of Texas. Travelers Lloyds of Texas Insurance Company must mail 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

2017- 5191

COMMISSIONER'S ORDER  
Travelers Lloyds of Texas Insurance Company  
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APPROVED AS TO FORM AND CONTENT:



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Whitney A. Fraser, Staff Attorney  
Enforcement Section  
Texas Department of Insurance

AFFIDAVIT

STATE OF Connecticut §  
COUNTY OF Hartford §

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

1. "My name is Christine Palmieri. 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, Compliance. I am the authorized representative of Travelers Lloyds of Texas Insurance Company and am duly authorized to execute this affidavit.
3. Travelers Lloyds of Texas Insurance Company has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the foregoing consent order by the commissioner of insurance of the state of Texas."

Christine Palmieri  
Affiant  
Vice President Travelers Lloyds Management  
Company, Attorney-in-Fact

SWORN TO AND SUBSCRIBED before me on this 10<sup>th</sup> day of August, 2017.

B. Ripple  
Signature of Notary Public

(NOTARY STAMP)

**BEVERLY A. RIPPLE**  
Notary Public  
My Commission Expires March 31, 2021