

No. 2018-5815

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

**Date:** DEC 28 2018

**Subject Considered:**

RURAL TRUST INSURANCE COMPANY  
6301 Ivy Ln Ste 506  
Greenbelt, Maryland 20770

**CONSENT ORDER**  
TDI ENFORCEMENT FILE NO. 16803

**General remarks and official action taken:**

This subject of this order is whether disciplinary action should be taken against Rural Trust Insurance Company (Rural Trust).

**WAIVER**

Rural Trust acknowledges that the Texas Insurance Code and other applicable laws provide certain rights. Rural Trust waives all of these rights in consideration of the entry of this consent order.

**FINDINGS OF FACT**

1. Rural Trust is a domestic fire and casualty insurer domiciled in the state of Texas and has been licensed by the Texas Department of Insurance (TDI) since January 30, 1953.
2. TDI conducted an evaluation in July 2018, to determine the adequacy of Rural Trust's loss control programs for commercial automobile liability insurance and general liability insurance. The evaluation resulted in an inadequate rating for Rural Trust.

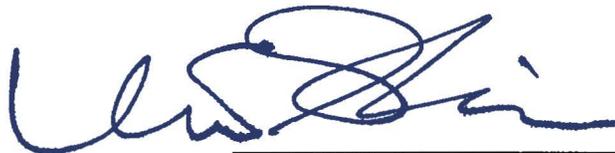
3. Prior to the evaluation, TDI made several requests for documentation and materials from Rural Trust. These documents and materials were to aid TDI in its evaluation of Rural Trust's loss control program.
4. Rural Trust did not provide the requested documentation and materials to TDI until September 25, 2018, after TDI had concluded its July 2018 evaluation.
5. Rural Trust failed to timely provide the following to TDI:
  - a. a list of insureds as required by 28 TEX. ADMIN. CODE §§ 5.303(2)(B) and 5.1723(2)(B);
  - b. the Form 2 as required by 28 TEX. ADMIN. CODE §§ 5.303(4)(A) and 5.1723(4)(A);
  - c. completed loss control presentation outlines;
  - d. the loss control procedures as required by 28 TEX. ADMIN. CODE §§ 5.303(4) and 5.1723(4), such as
    - i. notice to insureds of the availability of information and services, and the insured's request for loss control information and services, and
    - ii. mechanisms and procedures by which appropriate loss control information or services are determined; and
  - e. samples of the loss control informational materials provided to insureds to reduce and prevent losses, such as items, listings, samples of safety training, and educational materials that clearly represent the capability to address the liability loss exposures and hazards of each applicable line of insurance, as required by 28 TEX. ADMIN. CODE §§ 5.303(4)(C) and 5.1723(4)(C).

**CONCLUSIONS OF LAW**

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 84.021-84.044, 801.051-801.056, 1903.051 and 1952.058; and 28 TEX. ADMIN. CODE §§ 5.301-5.311 and 5.1721-5.1731.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056, TEX. INS. CODE § 82.055, and 28 TEX. ADMIN. CODE § 1.47.

3. Rural Trust 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 intent to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Pursuant to TEX. INS. CODE § 1903.051, an insurer must provide loss control information to policy holders as a prerequisite to writing general liability insurance in Texas. The loss control information must be reasonably commensurate with the risks, exposures, and experience of the insured's business.
5. Pursuant to TEX. INS. CODE § 1952.058, an insurer must provide loss control information to policy holders as a prerequisite to writing commercial automobile liability insurance in Texas. The loss control information must be reasonably commensurate with the risks, exposures, and experience of the insured's business.
6. Additional loss control information to be provided by insurers writing commercial liability insurance and general liability insurance is further described in 28 TEX. ADMIN. CODE §§ 5.301-5.311 and 5.1721-5.1731.
7. Pursuant to 28 TEX. ADMIN. CODE §§ 5.303 and 5.1723, at least every two years TDI conducts an evaluation of the loss control information and services of each insurer writing commercial automobile liability insurance and general liability insurance.
8. Rural Trust violated TEX. INS. CODE §§ 1903.051 and 1952.058 and 28 TEX. ADMIN. CODE §§ 5.303 and 5.1723.

It is ordered that Rural Trust Insurance Company must pay an administrative penalty of \$10,000. 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 60851, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104



Kent C. Sullivan  
Commissioner of Insurance

2018- 5815

COMMISSIONER'S ORDER

Rural Trust Insurance Company

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APPROVED AS TO FORM AND CONTENT



Sarah White

Staff Attorney, Enforcement Section

Texas Department of Insurance

**AFFIDAVIT**

**STATE OF** Maryland §  
§  
**COUNTY OF** Prince Georges §

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

1. "My name is Marilyn Blake. I am of sound mind, capable of making this statement, and personally acquainted with the facts stated herein.
2. I hold the office of Corp Secretary I am the authorized representative of Rural Trust Insurance Company and am duly authorized to execute this affidavit.
3. Rural Trust Insurance Company waives rights provided by the Texas Insurance Code and other applicable law and acknowledges the jurisdiction of the commissioner of insurance of the state of Texas.
4. Rural Trust Insurance Company has knowingly and voluntarily entered into the forgoing 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.

Marilyn A Blake  
Affiant

SWORN TO AND SUBSCRIBED before me on this 11th day of October, 2018.



NOTARY STAMP

Theresa W. ...

Signature of Notary Public

My Commission Expires: June 11, 2022