

No. 2019-6030

**Official Order
of the
Texas Commissioner of Insurance**

Date: JUL 31 2019

Subject Considered:

Pacesetter Claims Service, Inc.
2871 N Hwy 167
Catoosa, Oklahoma 74015-2709

Consent Order
TDI Enforcement File No. 17008

General remarks and official action taken:

The subject of this order is whether disciplinary action should be taken against Pacesetter Claims Service, Inc. (Pacesetter).

Waiver

Pacesetter acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Pacesetter waives all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order. Pursuant to TEX. INS. CODE § 82.055(b), Pacesetter agrees to this consent order with the express reservation that it does not admit to a violation of the Texas Insurance Code or of a rule and that the existence of a violation is in dispute.

Findings of Fact

Background

1. In September of 2011, the Texas Legislature amended TEX. INS. CODE § 4101.001(a)(5) to define a "person" to "mean an individual or business entity," which required adjusting companies to obtain a license pursuant TEX. INS. CODE § 4101.051.

Licensure

2. Pacesetter held a non-resident adjuster license with a property and casualty qualification originally issued by the department on March 14, 2013. On March 14, 2015, this license became inactive due to Pacesetter's inadvertent failure to renew.
3. On March 28, 2018, Pacesetter applied for a non-resident adjuster license with a property and casualty qualification, which was issued by the department on April 6, 2018.

Unlicensed Activity

4. During an investigation into a complaint, the department discovered that Pacesetter had been operating without a license in violation of the law since its license had expired.
5. Pacesetter operated without a license in the State of Texas for approximately three years.
6. TDI did not receive any reports of consumer harm while Pacesetter operated without a license in the State of Texas.

Failure to Fully Respond to Requests for Information

7. The department sent Pacesetter a request for information pursuant to TEX. INS. CODE § 38.001 on September 21, 2018, which required Pacesetter to respond in writing not late than the 15th day after Pacesetter received the request.
8. The department alleges that Pacesetter failed to provide a full and complete response to the department's request. Pacesetter informed the department that it would not respond to one of the requests because the responsive information was subject to a non-disclosure agreement.

Conclusions of Law

1. The commissioner of insurance has jurisdiction over this matter pursuant to: TEX. INS. CODE §§ 82.001-82.056, 82.051-82.055, 101.051, 101.102, 4005.101, 4005.102, 4101.051 and 4101.053; and TEX. GOV'T CODE §§ 2001.051-2001.178.

2. The commissioner of insurance has authority to dispose of this case informally pursuant to TEX. INS. CODE §§ 36.104 and 82.055; TEX. GOV'T CODE § 2001.056; and 28 TEX. ADMIN. CODE § 1.47.
3. Pacesetter 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. Pacesetter violated TEX. INS. CODE § 4101.053 by operating as an adjusting firm without a license.
5. Pacesetter failed to respond fully to a department inquiry in writing not later than the 15th day after the date it received the inquiry, in violation of TEX. INS. CODE § 38.001.

Order

It is ordered that Pacesetter Claims Service, Inc. pay an administrative penalty of \$10,000 within 30 days from the date of this order. The penalty must be paid by cashier's check or money order made payable to the "State of Texas" and sent 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

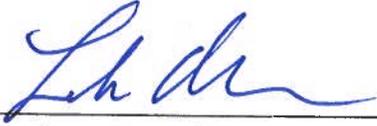
By: _____


Doug Slape
Chief Deputy Commissioner
Commissioner's Order No. 2018-5528

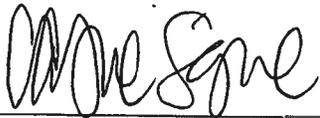
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Recommended and reviewed by:

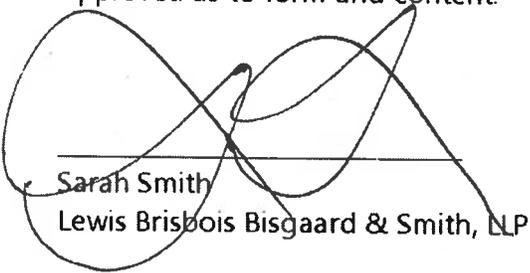


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