

No. **2022-7318**

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

Date: 05/05/2022

Subject Considered:

Tracy Lynn Mendez
[REDACTED]
Canyon Lake, Texas 78133-6937

Consent Order
TDI Enforcement File No. 24296

General remarks and official action taken:

The subject of this order is whether disciplinary action should be taken against Tracy Lynn Mendez (Mendez). The department alleges that Mendez issued multiple auto insurance policies after cancellation for nonpayment to avoid paying the insurer. This order suspends Mendez's license subject to the terms of the two-year probated suspension detailed in this order.

Waiver

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

Findings of Fact

Licensure

1. Mendez, individual identification number 1834444, holds a general lines agent license with a property and casualty qualification issued by the Texas Department of Insurance on March 12, 2018.

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2. Mendez was appointed by Allstate Insurance Company (Allstate) from March 15, 2018, until her appointments were canceled on February 18, 2020.

Fraudulent and Dishonest Conduct

3. On February 23, 2018, Allstate issued an auto insurance policy covering Mendez's and her husband's vehicles. This policy was canceled for nonpayment on May 25, 2018.
4. On June 12, 2018, after Mendez became a licensed agent and an employee of an Allstate branch, she wrote another auto insurance policy covering her and her husband's vehicles. This policy was canceled for nonpayment on September 26, 2018.
5. Mendez subsequently issued three additional auto insurance policies for her and her husband's vehicles. All were canceled for nonpayment:
 - a. Policy issued September 27, 2018, and canceled for nonpayment on November 7, 2018.
 - b. Policy issued November 30, 2018, and canceled for nonpayment on January 7, 2019.
 - c. Policy issued March 29, 2019, and canceled for nonpayment on June 26, 2019.
6. Allstate initiated an investigation into Mendez after receiving an anonymous report about her activities on July 9, 2019. Mendez was ultimately dismissed from the Allstate branch and her appointments with Allstate companies were canceled.
7. Mendez's actions resulted in \$3,541.11 owed to Allstate. After deductions were made from her bond, she owed a remaining balance of \$1,203.57. Allstate represents that it is not seeking additional repayment from Mendez.
8. At the time of this incident, Mendez was experiencing financial distress and difficult personal issues. Mendez has no other administrative actions or consumer complaints on record and has cooperated fully with the department's investigation. Mendez acknowledges her wrongdoing and agrees to comply with all insurance laws in the future.

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Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.001-82.056, 84.021-84.044, 4001.002, 4005.101, 4005.102, 4051.051, and 4054.051, and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. INS. CODE §§ 36.104 and 82.055, TEX. GOV'T CODE § 2001.056, and 28 TEX. ADMIN. CODE § 1.47.
3. Mendez has knowingly and voluntarily waived all procedural rights to which she 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. Mendez misappropriated, converted to her own use, or illegally withheld money belonging to an insurer, insured, or beneficiary, in violation of TEX. INS. CODE § 4005.101(b)(4).
5. Mendez engaged in fraudulent or dishonest acts or practices, in violation of TEX. INS. CODE § 4005.101(b)(5).

Order

It is ordered that Tracy Lynn Mendez's general lines agent license with a property and casualty qualification is suspended for two years, probated.

If, during the probation period imposed by this order, the department issues any additional licenses or authorizations to Mendez, including any agency license, those additional licenses or authorizations will be suspended until the probation period imposed by this order has ended. The suspension shall be probated, and the same terms and conditions stated in this order will apply.

Beginning from the date of this order and continuing through the probation period, Mendez must file a written report, on or before the 15th day of the month on a quarterly basis for the months of July, October, January, and April with the Texas Department of Insurance by emailing it to, EnforcementReports@tdi.texas.gov. The reports must include the following information:

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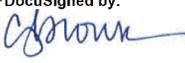
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- a. Mendez's current mailing address and telephone number;
- b. the name, mailing address, and telephone number of Mendez's employer, and if Mendez is self-employed, a statement that she is self-employed and the name, mailing address, and telephone number of her business;
- c. the name and address of any insurer or entity which has appointed Mendez as a general lines agent;
- d. the name and address of any insurer or entity which has terminated Mendez's appointment as a general lines agent; and
- e. a copy of any and all contracts Mendez has entered into with an insurer, broker, managing general agent, managing general agency, or any person or entity in the business of insurance.

Mendez must notify the department immediately of the following by emailing EnforcementReports@tdi.texas.gov:

- a. any charges or indictments filed against her for a misdemeanor or felony during the period she is required to file reports, excluding traffic offenses and class C misdemeanors;
- b. any state or regulatory actions taken against her including formal and informal actions;
- c. any change in her employment or her residence; and
- d. any complaint made against Mendez concerning her performance as a general lines agent, as well as a written explanation detailing the steps taken to resolve it.

DocuSigned by:


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Cassie Brown

Commissioner of Insurance

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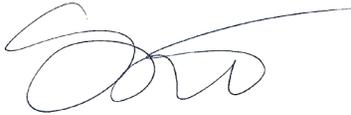
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Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Stephanie Daniels, Staff Attorney
Enforcement

Affidavit

STATE OF Texas §

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COUNTY OF Comal §

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

"My name is Tracy Lynn Mendez. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I waive rights provided by the Texas Insurance Code and other applicable law and acknowledge the jurisdiction of the commissioner.

I have knowingly and voluntarily entered into this consent order and agree with and consent to the issuance and service of the same by the commissioner of insurance of the State of Texas."

[Signature]
Affiant

SWORN TO AND SUBSCRIBED before me on this 8th day of April, 2021. ^(MS) 2022

(NOTARY STAMP)

[Signature]
Signature of Notary Public

