

No.

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

Date:

Subjects Considered:

AmTrust Insurance Company
Technology Insurance Company, Inc.
800 Superior Avenue E, 21st Floor
Cleveland, Ohio 44114-2605

Consent Order
TDI Enforcement File Nos. 31098 and 31106

General remarks and official action taken:

This is a consent order with AmTrust Insurance Company and Technology Insurance Company, Inc. (collectively, AmTrust), which are part of the AmTrust Financial Group. The department alleges that AmTrust incorrectly provided workers' compensation coverage to board members and committee members of condominium associations through use of a Voluntary Compensation and Employers Liability Coverage Endorsement. AmTrust has agreed to pay a \$40,000 administrative penalty and take corrective action as outlined in this order.

Waiver

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

2023-8094

Commissioner's Order

AmTrust Insurance Company, et al

Page 2 of 6

Findings of Fact

1. AmTrust Insurance Company and Technology Insurance Company, Inc. are foreign fire and casualty insurers holding certificates of authority to transact business in Texas.
2. AmTrust Insurance Company and Technology Insurance Company, Inc. write workers' compensation coverage in Texas.
3. Under Texas law, volunteers are not considered employees for purposes of workers' compensation and should not be covered under workers' compensation policies except in statutorily-specified circumstances.
4. The department discovered that AmTrust had provided workers' compensation coverage to non-employee, volunteer board members and committee members of condominium associations through the Voluntary Compensation and Employee Liability Coverage Endorsement. The policies issued to the condominium associations were written on an "if any" basis without reported payroll.
5. AmTrust represents that no claims have been made on the policies issued to the condominium associations by board members or committee members.
6. AmTrust has agreed to the following compliance plan:
 - a. Effective August 1, 2023, AmTrust will cease issuing the Voluntary Compensation and Employee Liability Coverage Endorsement on new workers' compensation policies issued to condominium associations to cover board members and committee members.
 - b. Effective August 1, 2023, AmTrust will amend all marketing materials to reflect the actions in 6(a).
 - c. Effective September 1, 2023, AmTrust will non-renew policies issued to condominium associations without any employees and remove the Voluntary Compensation and Employee Liability Coverage Endorsement from in-force policies at renewal for condominium associations with employees.
 - d. AmTrust will handle any claims for coverage afforded during the policy period.

2023-8094

Commissioner's Order
AmTrust Insurance Company, et al
Page 3 of 6


Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 801.052–801.053, and 2052.002.
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 §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. AmTrust 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. AmTrust violated TEX. INS. CODE § 2052.002.

Order

It is ordered that AmTrust pay an administrative penalty of \$40,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

It is further ordered that AmTrust must comply with the agreements made in Finding of Fact No. 6 above.

DocuSigned by:

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Cassie Brown
Commissioner of Insurance

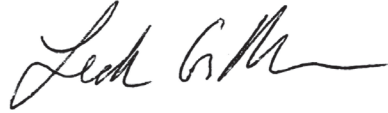
2023-8094

Commissioner's Order

AmTrust Insurance Company, et al

Page 4 of 6

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Mandy Meesey, Associate Commissioner
Enforcement

