

No. **2024-8663**

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

**Date: 5/17/2024**

**Subject Considered:**

American Interstate Insurance Company  
13321 California St, Ste 310  
Omaha, NE 68154-5258

Consent Order  
TDI Enforcement File No. 32762

**General remarks and official action taken:**

This is a consent order with American Interstate Insurance Company (American Interstate). American Interstate self-reported to the department that it charged workers' compensation rates not on file with the department which resulted in overcharges for certain policyholders. American Interstate has agreed to pay an administrative penalty of \$75,000.

**Waiver**

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

**Findings of Fact**

1. American Interstate is a foreign fire and casualty insurance company authorized to transact business in Texas.
2. American Interstate writes workers' compensation coverage in Texas.

## 2024-8663

Commissioner's Order

American Interstate Insurance Company

Page 2 of 4

3. In August 2023, American Interstate self-reported to the department that it had erroneously charged rates not on file with the department. Specifically, during an internal review conducted by American Interstate, it discovered it charged a flat fee of \$3,500 for Transportation, Wages, Maintenance, and Cure (TWMC) Coverage when the National Council on Compensation Insurance (NCCI) Basic Manual provides that an insurer may increase rates for admiralty law classifications by up to 10% for that coverage.
4. American Interstate's use of a flat fee may have resulted in some policyholders being overcharged while others were undercharged. American Interstate does not have appropriate records to determine restitution to any policyholders that may have been overcharged.
5. American Interstate cooperated with the department in its investigation and represents it is proceeding with additional compliance efforts.

### Conclusions of Law

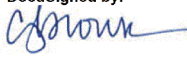
1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 801.052–801.053, and 2052.002.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 36.104 and 82.055; and 28 TEX. ADMIN. CODE § 1.47.
3. American Interstate 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. American Interstate violated TEX. INS. CODE § 2052.002.

# 2024-8663

Commissioner's Order  
American Interstate Insurance Company  
Page 3 of 4

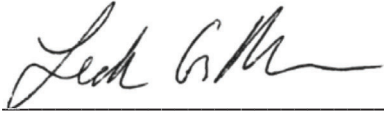
## Order

It is ordered that American Interstate pay an administrative penalty of \$75,000 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.

DocuSigned by:  
  
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\_\_\_\_\_  
Cassie Brown  
Commissioner of Insurance

Recommended and reviewed by:



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Leah Gillum, Deputy Commissioner  
Fraud and Enforcement Division



\_\_\_\_\_  
Mandy Meesey, Associate Commissioner  
Enforcement

**Affidavit**

STATE OF Louisiana §

Parish COUNTY OF Deade §

Before me, the undersigned authority, personally appeared G. Janelle Frost  
who being by me duly sworn, deposed as follows:

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

I hold the office of Chief Executive Officer and President and am the authorized representative of  
American Interstate Insurance Company. I am duly authorized by said organization to  
execute this statement.

American Interstate Insurance Company has knowingly and voluntarily entered into the  
foregoing consent order and agrees with and consents to the issuance and service of the  
same by the commissioner of insurance of the state of Texas."

G. Janelle Frost  
Affiant

SWORN TO AND SUBSCRIBED before me on April 17, 2024.

(NOTARY SEAL)

Paul P. Marks  
Signature of Notary Public

Paul P. Marks  
Printed Name of Notary Public

LA Bar Roll #31249

