

No. **2025-9237**

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

**Date: 4/2/2025**

**Subject Considered:**

Redpoint County Mutual Insurance Company  
13215 Bee Cave Pkwy., Ste. B240  
Austin, Texas 78738-0064

Consent Order  
SOAH Docket No. 454-25-05633  
TDI Enforcement File No. 31717

**General remarks and official action taken:**

This is a consent order with Redpoint County Mutual Insurance Company (Redpoint) regarding several rate filing errors that resulted in premium overcharges to certain policyholders. Redpoint has agreed to pay restitution to the affected policyholders.

**Waiver**

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

**Findings of Fact**

1. Redpoint is a domestic county mutual insurance company currently holding a certificate of authority to transact business in Texas.
2. Redpoint sells private passenger automobile insurance in Texas through several managing general agents (MGAs), including Root Lone Star Insurance Agency, Inc. (Root).

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3. Under TEX. INS. CODE § 2251.101(a), insurers are required to file with the commissioner all rates, applicable rating manuals, supplementary rating information, and additional information as required by the commissioner.

### Use of Rates Different than those on File

#### *Initial 2021 Rate Filing*

4. Redpoint, in coordination with Root, made a personal automobile rate filing (S691361) on April 27, 2021, which it initially proposed to be effective on May 10, 2021, but which it later revised to be effective August 18, 2021, for all new and renewal business written through Root.
5. Within this filing, Redpoint filed vehicle identification number (VIN) factor tables containing 134,237 VINs.
6. Also within this filing, Redpoint filed one set of base rates on April 27, 2021 (the "original base rates"), and then updated the original base rates on August 10, 2021, prior to the August 18, 2021 effective date (the "interim base rates").
7. On September 23, 2021, in response to an objection about an installment fee, Redpoint reversed course, updating its exhibit to replace the interim base rates with the original base rates. Thus, the interim base rates were superseded at that point in time, and the original base rates were the rates on file on and after September 23, 2021.
8. Redpoint represents that on September 23, 2021, when it replaced the interim base rates with the original base rates, that it made an inadvertent human error and never intended to replace or supersede the interim base rates with the original base rates.

#### *2022 Rate Filing and the 2022 Commissioner's Order*

9. On February 21, 2022, Redpoint, in coordination with Root, submitted a new rate filing (S699603), effective February 21, 2022, for new business written through Root, and effective March 26, 2022, for renewals. This filing introduced new rating

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- factors, updated certain symbol factors, removed the "Royce Independence Factor," and updated the base rates to replace the base rates on file in S691361.
10. Within filing S699603, Redpoint also filed VIN factor tables containing 287,750 VINs, of which 134,237 were the same VINs filed in S691361 and the remainder were new VINs.
  11. On July 28, 2022, the commissioner entered Official Order No. 2022-7411 against Redpoint regarding self-reported rate filing errors in three different MGA programs. One of those errors involved the initial filing S691361 and Redpoint's failure to file its credit scoring model documents in the correct place for its Root policyholders, but which error was subsequently corrected on December 6, 2021.
  12. When that order was entered, Redpoint did not report to TDI its alleged error or intentions with respect to the base rates in filing S691361, or any other errors related to filing S691361.

### *2023 Rate Filing*

13. On January 19, 2023, Redpoint, in coordination with Root, submitted another rate filing (S708226) with a proposed effective date of August 18, 2021. This filing included rating factor tables and VIN factor tables not included in the initial filing S691361, specifically the "Royce Independence Factor" table and 287,750 VINs previously filed in S699603.
14. Redpoint confirmed to TDI the intended purpose of filing S708226 was to correct the initial filing, S691361, and not to replace filing S699603.
15. Filing S708226 also included base rates that Root actually used to rate policies from August 12, 2021, until February 21, 2022 – when it made filing S699603. The January 19, 2023 filing was the first time Redpoint informed TDI that the base rates on file in the initial filing S691361, were not used to rate its policies, and Redpoint acknowledged that the rates it actually used for that time frame were from "an interim exhibit and were not the final base rates." In other words, Redpoint admitted to TDI in filing S708226 that it improperly used the interim base rates from filing S691361 to calculate premium, instead of the original base rates, which had replaced them and were the actual rates on file.

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16. In May 2023 correspondence, Redpoint also admitted to TDI that Root actually began selling Redpoint policies on August 12, 2021, prior to the August 18, 2021, effective date of initial filing S691361. Redpoint used the interim base rates filed on August 10, 2021, to calculate premium for the policies sold during the six days prior to the effective date of the filing.
17. Redpoint used rates different than those on file for the Root program because:
  - a. the rating factor tables were not filed on or before the date of use; and
  - b. the base rates used to calculate premium were different than the rates on file with TDI.

### Restitution Due to Policyholders

18. Redpoint has not yet fully calculated all refunds due to its policyholders who were overcharged premium by its use of the interim base rates in the initial filing S691361, and Redpoint has not quantified the number of policyholders due those refunds. However, Redpoint represents refunds totaling approximately \$950,000 plus interest are due to its policyholders.
19. Regarding its omission of the "Royce Independence Factor" table and VIN factor tables from the initial filing, Redpoint represents that on December 15, 2023, Root completed the process of mailing checks totaling \$557,567 to 16,355 policyholders at their last known address, which total consisted of \$506,220 in refunds, plus simple interest at the rate of five percent per annum, totaling an additional \$51,347 to these policyholders.

### **Conclusions of Law**

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 801.051–801.053, 912.002, 912.101–912.152, and 2251.101.
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.

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3. Redpoint 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. Redpoint violated TEX. INS. CODE § 2251.101 by using rates not on file or different than those on file with TDI.
5. Pursuant to TEX. INS. CODE § 82.053, the commissioner is authorized to direct Redpoint to make complete restitution to each policyholder impacted by the violations.

## Order

Redpoint County Mutual Insurance Company is ordered to comply with the following:

1. Redpoint must identify all private passenger automobile insurance policies issued and renewed in Texas by Root during two "Review Periods":
  - a. from September 23, 2021, through February 21, 2022, related to rate filing S691361 (First Review Period); and
  - b. from August 18, 2021, through February 21, 2022, related to rate filing S691361(Second Review Period).
2. Redpoint must re-calculate the premium for policies identified in the First Review Period:
  - a. using the last filed base rates in filing S691361 (identified as the original base rates above), and not the interim base rates which were superseded; and
  - b. without inclusion of the "Royce Independence Factor" table.
3. Redpoint must also re-calculate the premium for policies identified in the Second Review Period and for any VIN not included in S691361, Redpoint must use the symbol factors and the vehicle classification rule on file to assign the VIN factor.
4. For each identified policy in both Review Periods, Redpoint must then calculate and determine whether the dollar amount of the premium charged for each policy

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is less than or more than the recalculated premium. If the premium charged is more than the recalculated premium, the difference constitutes the Overcharge.

5. Redpoint must pay restitution in the form of a company check or account credit to each policyholder identified in any Review Period as having an Overcharge (the Qualifying Policyholders). The restitution check or account credit must include the dollar amount of the Overcharge plus simple interest in the amount of five percent per annum.
6. Redpoint must mail the restitution checks or issue the account credits to all Qualifying Policyholders on or before May 31, 2025.
7. Any restitution checks that are returned to Redpoint with an address correction must be promptly re-sent to the correct address. Funds from any restitution checks that are returned thereafter for incorrect addresses and from checks that are not negotiated must be delivered to the Comptroller of Public Accounts pursuant to the procedures set forth in TEX. PROP. CODE §§ 72.001 *et. seq.*, 73.001 *et seq.*, and 74.001 *et. seq.*
8. On or before September 1, 2025, Redpoint must report the restitution paid to the Qualifying Policyholders by submitting a complete and sortable electronic spreadsheet to TDI. The spreadsheet must contain the following information:
  - a. policy number,
  - b. policyholder name,
  - c. policyholder address,
  - d. effective date of the policy,
  - e. expiration date of the policy,
  - f. dollar amount of Overcharge,
  - g. dollar amount of simple interest,
  - h. sum of Overcharge plus interest,
  - i. date(s) of mailing of restitution check(s) or issuance of credit(s),
  - j. the total sum of all Overcharges,
  - k. the total sum of all simple interest, and
  - l. the total sum of all restitution paid (total Overcharges plus the total of the simple interest).

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9. Redpoint must send all submissions required under the terms of this order by email to: EnforcementReports@tdi.texas.gov.

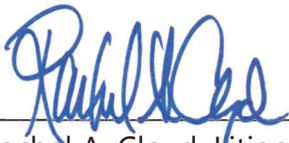
Signed by:  
  
FC5D7EDDFFBB4F8...

Cassie Brown  
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner  
Fraud and Enforcement Division



Rachel A. Cloyd, Litigation Director  
Enforcement

**Affidavit**

**STATE OF TEXAS §**

**§**

**COUNTY OF TRAVIS §**

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

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

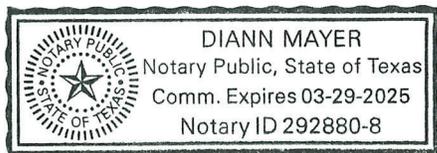
I hold the office of Chief Legal Officer and am the authorized representative of Redpoint County Mutual Insurance Company. I am duly authorized by said organization to execute this statement.

Redpoint County Mutual 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."

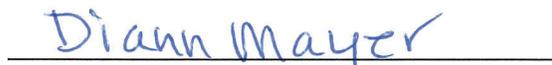
  
\_\_\_\_\_  
Affiant

SWORN TO AND SUBSCRIBED before me on February 3, 2025.

(NOTARY SEAL)



  
\_\_\_\_\_  
Signature of Notary Public

  
\_\_\_\_\_  
Printed Name of Notary Public