

No. **2025-9450**

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

Date: 8/4/2025

Subject Considered:

MGA Insurance Company, Inc.
PO Box 869153
Plano, Texas 75086

Consent Order
TDI Enforcement File No. 34505

General remarks and official action taken:

This is a consent order with MGA Insurance Company, Inc. (MGA) for violations discovered during its market conduct examination on its private passenger automobile line of business. MGA has agreed to pay a \$115,000 administrative penalty.

Waiver

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

Findings of Fact

Licensure and Background

1. MGA is a fire and casualty insurance company holding a certificate of authority to transact business in Texas, issued by the Texas Department of Insurance on August 13, 1981.

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2. This market conduct examination covers activity between January 1, 2022, and December 31, 2022, on MGA's passenger automobile line of business.

Previous Examination

3. The department previously conducted an examination of MGA for the period beginning January 1, 2015, and ending December 31, 2015.
4. Commissioner Order No. 2019-5947, dated April 26, 2019, addressed multiple violations and imposed an administrative penalty of \$90,000.

Agent Licensing and Appointments

5. The department reviewed a sample of 100 policies issued in 2022, to determine compliance with agent licensing and appointment requirements.
6. In 19% (19 of 100) of the policies reviewed, MGA allowed agents who were not appointed to issue or service a policy. In MGA's previous examination, similar violations were found: 18% (7 of 40) of the policies reviewed were in violation.
7. In 4% (4 of 100) of the policies reviewed, MGA allowed unlicensed individuals to issue or service policies. In MGA's previous examination, 8% (3 of 40) of the issued policies reviewed were in violation.

Issued Policies

8. In 2% (2 of 100) of the issued policies reviewed, MGA issued policies that did not provide uninsured or underinsured motorist coverage and did not obtain the insureds' written rejections. In the previous examination, 8% (3 of 40) of the issued policies reviewed were in violation.
9. In 2% (2 of 100) of the issued policies reviewed, MGA issued policies that did not provide personal injury protection coverage and did not obtain the insureds' written rejections. In MGA's previous examination, 8% (3 of 40) of the issued policies reviewed were in violation.

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Cancellations and Non-Renewals

10. In 12% (6 of 50) of the cancellations reviewed, MGA refunded unearned premium to the insureds later than the 15th business day after the effective date of the cancellation. In MGA's previous examination, 4% (2 of 50) of the cancellations reviewed were in violation.
11. In 12% (3 of 25) of the non-renewals reviewed, MGA failed to mail written notices of non-renewal to the insureds.

Claims Payment

12. In 5% (6 of 110) of the claim payments reviewed, MGA did not provide the claimant with the required Notice of Rights Regarding Repair of Motor Vehicle.
13. In 4% (4 of 110) of the claim payments reviewed, MGA failed to pay a claim not later than the fifth business day after making the notice of acceptance of the claim.

Internal Control Observations

14. In 80% (40 of 50) of new business applications reviewed, the agents did not complete the "Agent's Statement" section of the mandatory new business applications approved by the department. MGA explained they do not require agent signatures on the applications.

Corrective Action Plan and Remedial Actions

15. MGA provided the department with a Corrective Action Plan on March 29, 2024, to remedy the practices that resulted in the violations discovered during the exam process. MGA maintains that all actions were completed in May 2024.
16. MGA has made changes and upgrades to its systems, has automated processes, and enhanced its procedures. Additionally, MGA conducts biweekly licensing audits and has completed multiple compliance tests and follow-up testing to ensure compliance.

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Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 542.057, 551.105, 558.002, 861.101, 862.051, 1952.101, 1952.152, 1952.305, 4001.101, 4001.201, and 4051.051, and TEX. ADMIN. CODE § 5.501.
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. MGA 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. MGA violated TEX. INS. CODE § 542.057 by failing to pay a claim not later than the fifth business day after making the notice of acceptance of the claim.
5. MGA violated TEX. INS. CODE § 551.105 by failing to mail written notices of non-renewal to insureds.
6. MGA violated TEX. INS. CODE § 558.002(d) by failing to refund unearned premium to the policyholder not later than the 15th business day after the effective date of the policy cancellation.
7. MGA violated TEX. INS. CODE § 1952.101(b) by issuing policies that did not provide uninsured or underinsured motorist coverage.
8. MGA violated TEX. INS. CODE § 1952.101(c) by failing to obtain the insured's signed notice of rejection for the required uninsured or underinsured motorist coverage.
9. MGA violated TEX. INS. CODE § 1952.152(a) by delivering or issuing automobile liability insurance policies that did not provide personal injury protection coverage.
10. MGA violated TEX. INS. CODE § 1952.152(b) by failing to obtain the insureds' signed notice of rejection for personal injury protection coverage.

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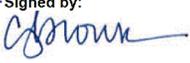
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11. MGA violated TEX. INS. CODE § 1952.305 and TEX. ADMIN. CODE § 5.501 by failing to provide the claimant with the required Notice of Rights Regarding Repair of Motor Vehicles.
12. MGA violated TEX. INS. CODE §§ 4001.101 and 4051.051 by allowing unlicensed individuals to issue or service policies.
13. MGA violated TEX. INS. CODE § 4001.201 by issuing policies with an agent who was not appointed to act as an agent for MGA.

Order

It is ordered that MGA Insurance Company, Inc. pay an administrative penalty of \$115,000 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.

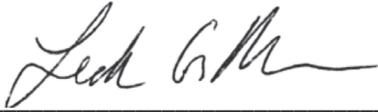
It is also ordered that MGA Insurance Company, Inc. report to the department on or before 30 days from the date of this order. The report will affirm that MGA has fully implemented its post-exam corrective action plan. If MGA has not yet fully implemented its post-exam corrective action plan, the report will detail how the company intends to fully implement its plan, resources dedicated to implementation, timelines, and a process for independent verification of objective progress to comply with Texas law. MGA must send the report to EnforcementReports@tdi.texas.gov.

Signed by:

FC5D7EDDFFB4F8... _____
Cassie Brown
Commissioner of Insurance

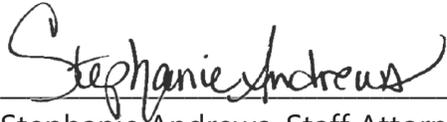
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Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Stephanie Andrews, Staff Attorney
Enforcement

Affidavit

STATE OF Texas §

§
COUNTY OF Collin §

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

"My name is Brian Dosser. 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 SVP, Corporate Secretary and am the authorized representative of MGA Insurance Company, Inc. I am duly authorized by said organization to execute this statement.

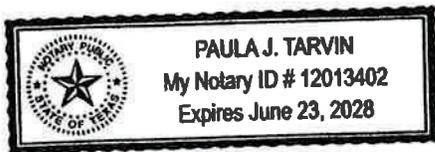
MGA Insurance Company, Inc. has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the State of Texas."

Brian Dosser

Affiant

SWORN TO AND SUBSCRIBED before me on July 16, 2025.

(NOTARY SEAL)



Paula J. Tarvin
Signature of Notary Public

Paula J. Tarvin
Printed Name of Notary Public