

No. **2025-9603**

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

Date: 11/17/2025

Subject Considered:

Anchor General Insurance Company
P.O. Box 509020
San Diego, CA 92150-9020

Consent Order
TDI Enforcement File No. 36973

General remarks and official action taken:

This is a consent order with Anchor General Insurance Company (Anchor General). The Texas Department of Insurance (TDI) conducted a market conduct examination and found violations of Texas law. Anchor General has agreed to pay an administrative penalty of \$130,000.

Waiver

Anchor General acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Anchor General 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. Anchor General, company identification number 3543, is a foreign fire and casualty company holding a certificate of authority to transact business in Texas.

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2. TDI conducted a targeted market conduct examination that covered activity between January 1, 2022, and December 31, 2022, on Anchor General's private passenger automobile line of business.
3. The purpose of the examination was to determine Anchor General's compliance with Texas statutes and regulations related to sales, advertising, and marketing; underwriting and rating; claims practices; and consumer complaints.
4. During the examination, TDI found violations of the Texas Insurance Code and the Texas Administrative Code.

Agreements with Affiliates:

5. Effective January 1, 2020, Anchor General entered into a managing general agency (MGA) agreement with Anchor General Insurance Agency of Texas, Inc. (Anchor Texas), firm identification number 25843.
6. Under the terms of the agreement, Anchor Texas was given authority that included production, underwriting, and accounting.
7. Anchor General's MGA agreement with Anchor Texas failed to include several provisions required by the Texas Administrative Code, including:
 - a. Failing to state that all amendments and changes must be in writing and specify the effective date.
 - b. Failing to state that the MGA must submit a monthly report to Anchor General detailing both insurance and reinsurance transactions, to be confirmed within 60 days by Anchor General, and to be maintained and available for the commissioner to review for three years.
 - c. Failing to state that an MGA may not bind reinsurance or retrocessions on behalf of the insurer, may not commit the insurer to participation in insurance or reinsurance syndicates, and may not collect a payment from a reinsurer or commit the insurer to a claim settlement with a reinsurer without written approval of the insurer. The MGA contract must state that, if prior approval is given, the MGA must promptly forward a report to the insurer.

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- d. Failing to specify that records be maintained separately for each insurer, including maintaining underwriting files, for five years or completion of the financial examination, whichever is longer.
 - e. Failing to specify that the required exams adequately provide the commissioner with certain information and be maintained and available for commissioner review for three years.
 - f. Failing to state that the MGA must notify the insurer in writing within 30 days if there is a change in ownership of 10% or more of the outstanding stock of the MGA, any principal officer of the MGA, or any director of the MGA.
 - g. The contract shall not allow an MGA to offset balances due under any contract with any offset due under any other contract.
8. Anchor General did not perform its required 2022 annual audit of Anchor Texas. Anchor General contends that they have access to both policy and claims systems of Anchor Texas, and that the California Department of Insurance conducted a full audit that included the Texas program.

Sales, Advertising, and Marketing:

- 9. TDI staff randomly sampled 100 policies issued in 2022 to determine compliance with agents licensing and appointment requirements under Texas Insurance Code Chapters 4001 and 4051.
- 10. Anchor General utilized 555 active agents and terminated appointments to one agent in 2022.
- 11. In 1% (1 of 100) of the policies reviewed, Anchor General used an agent listed on the declarations page that was not licensed to conduct the business of insurance in Texas.
- 12. In 43% (43 of 100) of the policies reviewed, Anchor General used agents listed on the declarations page that were not appointed to issue or service policies. Anchor General contends that this error occurred due to a licensing personnel transition and that a new process was implemented to ensure that no access is granted prior to verifying licensing status.

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Underwriting and Rating:

13. TDI staff randomly sampled policies Anchor General issued in 2022 to determine the accuracy of rating, use of proper forms and endorsements, timely handling of transactions and policy service request, adherence to consistent and nondiscriminatory underwriting practices, mandatory coverages, and compliance with statutes and regulations.
14. Anchor General utilized the Texas standard policy forms and endorsements as authorized under TEX. INS. CODE § 2301.008, and its own policy forms and endorsements as authorized under TEX. INS. CODE § 2301.006(a).
15. In 98% (98 of 100) of the policies reviewed, the Notice of Toll-Free Telephone Numbers and Information and Complaint Procedures were not prominently displayed as the first, second, or third page of the policy documents. Anchor General contends that this occurred due to a software error that has been corrected and that they have added an additional quality control check to verify the correct position of the notice.
16. In 98% (98 of 100) of the policies reviewed, "IMPORTANTE" was not boldfaced on side B of the Texas Liability Insurance Card.
17. In 4% (4 of 100) of the policies reviewed, Anchor General did not provide the correct version of the Auto Bill of Rights.
18. TDI staff reviewed sampled cancellations and non-renewals to determine the accuracy of premium refunding and compliance with policy termination requirements under TEX. INS. CODE Chapter 551, 558; and 28 TEX. ADMIN. CODE Chapter 5, Subchapter H.
19. In 2% (1 of 50) of the policies reviewed, Anchor General refunded the unearned premium later than the 15th business day. The refund was issued 19 days after the cancellation of the policy.

Claims:

20. TDI staff conducted a stratified sampling to include all policy and coverage types for claims Anchor General processed in 2022 to determine compliance with policy provisions, timeliness and accuracy of payment, supporting documentation,

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general claims handling, adjuster licensing, and compliance with Texas statutes and regulations.

21. In 25% (26 of 102) of the claim payments reviewed, Anchor General failed to provide, or provide timely, the claimant with the required Notice of Rights regarding Repair of Motor Vehicle. Anchor General contends that this has been corrected so that the notice will be generated at the onset of all new claims.
22. In 12% (12 of 102) of the claim payments reviewed, Anchor General failed to pay a claim not later than the fifth business day after notice of payment of claim.
23. In 3% (3 of 102) of the claim payments reviewed, Anchor General failed to adopt and implement reasonable standards for prompt investigations of a claim.
24. In 9% (9 of 102) of the claim payments reviewed, Anchor General did not attempt in good faith to effect a prompt, fair, and equitable settlement when liability was reasonably clear.
25. In 13% (13 of 102) of the payments reviewed, Anchor General did not notify the insured in writing of the settlement of a claim within 30 days. Anchor General contends that their claim system has been modified to correct the human error which occurred under the manual process.
26. In 68% (17 of 25) of the total loss claims reviewed, Anchor General did not apply for the appropriate title required under the Transportation Code.
27. In 4% (1 of 25) of the total loss claims reviewed, Anchor General did not provide the required report to the Department of Motor Vehicles and did not provide notice to the motor vehicle owner, as required under the Transportation Code.

Complaints:

28. TDI staff sampled complaints Anchor General received in 2022 to determine compliance with TEX. INS. CODE §§ 38.001, 542.005; 28 TEX. ADMIN. CODE § 21.203(6), 21.2501-21.2507; and other Texas Statutes and rules.
29. TDI staff reviewed 17 complaints and three (18%) were considered confirmed.

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30. In 18% (3 of 17) of the complaints reviewed, Anchor General failed to adopt and implement reasonable standards for the prompt investigation of a claim.

Internal Control Observations:

31. In 1% (1 of 100) of the issued policies reviewed, the agency listed on the declarations page did not file an assumed name certificate.

Subsequent Remedial Action

32. On April 25, 2025, Anchor General accepted TDI's final market conduct examination report.
33. On April 25, 2025, Anchor General submitted a corrective action plan to TDI that included the following:
 - a. Anchor General represents that their claims system platform has been modified to ensure the Notice of Rights Regarding Repair of Motor Vehicle notice is automatically generated at the onset of the claim.
 - b. Anchor General represents that they contracted with a 3rd party compliance training to address specific concerns related to the timelines of claim payments; prompt investigation of claims; and good faith in effecting prompt, fair, and equitable settlements where liability is reasonably clear. Anchor General further represents that the training will be required for all licensed adjusters, with recorded attendance, and annual recurrent training.
 - c. Anchor General represents that their claim system platform has been modified to automatically generate written notice of claim settlement when a payment is processed to settle a claim.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, and chapters 542, 751, 861, 862, and 982.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056, and TEX. INS. CODE §§ 36.104 and 82.055.

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3. Anchor General 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. Anchor General violated 28 TEX. ADMIN. CODE § 19.1204(b)(1) because its MGA contract failed to state that all amendments and changes to the contract must be in writing and specify the effective date.
5. Anchor General violated 28 TEX. ADMIN. CODE § 19.1204(b)(5) because its MGA contract failed to include required contract language for reporting, confirmation, maintenance, and availability of reports for review by the commissioner.
6. Anchor General violated 28 TEX. ADMIN. CODE § 19.1204(b)(7) because its MGA contract failed to state that an MGA may not bind reinsurance or retrocessions on behalf of the insurer, may not commit the insurer to participation in insurance or reinsurance syndicates, and may not collect a payment from reinsurer or commit the insurer to a claim settlement with a reinsurer without prior written approval. The contract must state that, if prior approval is given, the MGA must prompt forward a report to the insurer.
7. Anchor General violated 28 TEX. ADMIN. CODE § 19.1204(b)(16) because its MGA contract failed to state that the records must be maintained separately for each insurer as required, and failed to state the term of record maintenance.
8. Anchor General violated 28 TEX. ADMIN. CODE § 19.1204(b)(20) because its MGA contract failed to specify the required examinations, and that the exams must provide the commissioner with specific information, term of record maintenance, and certain required minimum information.
9. Anchor General violated 28 TEX. ADMIN. CODE § 19.1204(b)(21) because its MGA contract failed to state that the MGA must notify the insurer in writing within 30 days if there is a change in ownership of 10% or more of the outstanding stock of the MGA, any principal officer of the MGA, or any director of the MGA.
10. Anchor General violated 28 TEX. ADMIN. CODE § 19.1204(b)(22) because its MGA contract shall not allow the MGA to offset balances due under any contract with any offset due under any other contract.

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11. Anchor General did not perform its required 2021 annual MGA audit in violation of 28 TEX. ADMIN. CODE § 19.1204(b)(19)(B).
12. Anchor General used an agent that was not licensed to issue or service policies, in violation of TEX. INS. CODE § 4001.101.
13. Anchor General used agents that were not appointed to issue or service policies, in violation of TEX. INS. CODE § 4001.201.
14. Anchor General did not prominently display the Notice of Toll-Free Telephone Numbers and Information and Complaint Procedures on the first, second, or third page of policy documents, in violation of 28 TEX. ADMIN. CODE § 1.601(a)(2)(A).
15. Anchor General did not include boldface type as required on side B of the Texas Liability Insurance card, in violation of 28 TEX. ADMIN. CODE § 5.204(d)(3).
16. Anchor General failed to provide the correct version of the Auto Bill of Rights, in violation of 28 TEX. ADMIN. CODE § 5.9970(f).
17. Anchor General failed to promptly refund the unearned premium to a policyholder in violation of TEX. INS. CODE § 558.002(d).
18. Anchor General failed to send a timely notice of non-renewal in violation of 28 TEX. ADMIN. CODE § 5.7007(a).
19. Anchor General failed to timely provide the required Notice of Rights Regarding Repair of Motor Vehicle in violation of TEX. INS. CODE § 1952.305 and 28 TEX. ADMIN. CODE § 5.501(d).
20. Anchor General failed to pay a claim within five business days after the date notice is made, in violation of TEX. INS. CODE § 542.057(a).
21. Anchor General failed to adopt and implement reasonable standards for the prompt investigation of a claim, in violation of TEX. INS. CODE § 542.003(b)(3).
22. Anchor General did not attempt in good faith to effect a prompt, fair, and equitable settlement when liability was reasonably clear, in violation of TEX. INS. CODE § 542.003(b)(4).

- 23. Anchor General did not notify an insured in writing of an initial offer to settle a claim against the insured, in violation of TEX. INS. CODE § 542.153(a).

Order

It is ordered that Anchor General pay an administrative penalty of \$130,000 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.

Signed by: 
FC5D7EDDFB4F8... _____
Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Nancy Williams, Staff Attorney
Enforcement

Approved as to form and content:



Michael W. Jones, Partner
Thompson Coe

Affidavit

STATE OF CALIFORNIA §

§

COUNTY OF SAN DIEGO §

Before me, the undersigned authority, personally appeared SUSAN STOKES-GIBSON, who being by me duly sworn, deposed as follows:

"My name is SUSAN STOKES GIBSON. 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 VICE PRESIDENT and am the authorized representative of Anchor General Insurance Company. I am duly authorized by said organization to execute this statement.

Anchor General 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 OCTOBER 21, 2025.

(NOTARY SEAL)



Jennifer E. Paler
Signature of Notary Public

Jennifer E. Paler
Printed Name of Notary Public