No. **2026-10062**

Official Order
of the
Texas Commissioner of Insurance

Date: 08/07/2026

Subject Considered:

Home State County Mutual Insurance Company
P.O. Box 8036
Waco, Texas 76714-8036

Consent Order
TDI Enforcement File No. 38926

General remarks and official action taken:

This is a consent order with Home State County Mutual Insurance Company (Home State). The Texas Department of Insurance (TDI) conducted a targeted market conduct examination of Home State's private passenger automobile line of business and found violations of Texas insurance laws. Home State agrees to pay an administrative penalty of $100,000.

Waiver

Home State acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Home State 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. Home State is a county mutual insurance company holding a certificate of authority to transact business in the state of Texas.

2. TDI conducted a targeted market conduct examination of Home State on its private passenger automobile lines of business for the period of January 1, 2024, through December 31, 2024.

3. During the examination period, Home State wrote private passenger and commercial automobile insurance in the non-standard market using 32 independent, unaffiliated managing general agents (MGAs). However, the examination focused on just two of those MGAs, specifically Imperial General Agency of Texas, Inc. (Imperial) and MIC Insurance Agency, Inc. (MIC).

4. The purpose of the examination was to determine Home State's compliance with the Texas Insurance Code and Title 28 of the Texas Administrative Code relating to sales, advertising, marketing, underwriting and rating, claims practices, and consumer complaints.

5. During the investigation, TDI found violations of the Texas Insurance Code and Texas Administrative Code.

<u>Prior Examinations and Disciplinary History</u>

6. On May 24, 2018, the commissioner entered Official Order No. 2018-5518 assessing a $20,000 administrative penalty against Home State for violations found during a 2015 market conduct examination that focused on business written through two other unaffiliated MGAs, specifically Aggressive Insurance Services, LLC and All Motorists Insurance Agency, Inc.

7. On September 30, 2021, the commissioner entered Official Order No. 2021-7006 against Home State and one of its other unaffiliated MGAs, AmWins Specialty Auto, Inc. (AmWins). This order found that they improperly deducted betterment from first-party automobile claims payments between April 2017 and October 2020. Home State and AmWins were ordered to pay restitution and a $20,000 administrative penalty.

8. On June 16, 2023, the commissioner entered Official Order No. 2023-8024 against Home State assessing a $185,000 administrative penalty for violations found during a 2019 market conduct examination that focused on business written through two other unaffiliated MGAs, specifically Network E&S Insurance Brokers, LLC and Kemper Personal Insurance General Agency, Inc.

Sales, Advertising, and Marketing

9. TDI reviewed two random samples of 100 policies issued in 2024 as new or renewal business by Imperial and MIC on behalf of Home State, to determine compliance with agents' licensing and appointment requirements.

10. Home State allowed agents who were not appointed to issue or service policies in:

    a. 9% (9 of 100) of Imperial policies; and
    b. 12% (12 of 100) of MIC policies.

11. This finding was repeated from the 2019 examination and increased in percentage.

12. In 1% (1 of 100) of the MIC policies reviewed, Home State allowed an unlicensed agent to issue or service policies. This finding was repeated from the 2019 examination but decreased in percentage.

Underwriting and Rating

13. TDI reviewed two random samples of 100 policies issued in 2024 as new or renewal business by Imperial and MIC on behalf of Home State, to determine the accuracy of rating, use of proper forms and endorsements, timely handling of transactions and policy service requests, adherence to consistent and nondiscriminatory underwriting practices, mandatory coverages, and compliance with statutes and regulations.

14. Home State failed to provide the correct TDI mailing address on the Notice of Toll-Free Numbers and Information and Complaint Procedures in:

    a. 50% (50 of 100) of Imperial policies; and
    b. 50% (50 of 100) of MIC policies.

15. In 50% (50 of 100) of the MIC policies reviewed, Home State failed to include the insurer's email address on the Notice of Toll-Free Telephone Numbers and Information and Complaint Procedures.

<u>Claims Payments</u>

16. TDI conducted stratified sampling to include all policy and coverage types for claims processed by Imperial and MIC on behalf of Home State in 2024 to determine compliance with policy provisions, timeliness and accuracy of payment, supporting documentation, general claims handling, adjuster licensing, and compliance with other applicable laws.

17. In 5% (6 of 110) of MIC claims paid, Home State failed to acknowledge receipt of a claim within 15 days. This finding was repeated from the 2019 examination and increased in percentage.

18. In 5% (11 of 220) of all paid claims reviewed, Home State failed to notify the insured in writing of an initial offer to settle a claim against the insured. This occurred in:

    a. 4% (4 of 110) of Imperial's paid claims;
    b. 6% (7 of 110) of MIC's paid claims;

19. The finding was repeated from the 2019 examination and decreased in the overall percentage for both MGA samples.

20. In 16% (4 of 25) of all total loss claims payments reviewed, Home State failed to notify the insured in writing of an initial offer to settle a claim against the insured. This occurred in:

    a. 8% (1 of 12) of Imperial's total loss claims payments; and
    b. 23% (3 of 13) of MIC's total loss claims payments.

21. In 4% (8 of 220) of all paid claims reviewed, Home State failed to notify the insured in writing of a claim settlement against the insured. This occurred in:

    a. 1% (1 of 110) of Imperial's paid claims;
    b. 6% (7 of 110) of MIC's paid claims;

22. In 16% (4 of 25) of all total loss claims payments reviewed, Home State failed to notify the insured in writing of a claim settlement against the insured. This occurred in:

    a. 8% (1 of 12) of Imperial's total loss claims payments; and
    b. 23% (3 of 13) of MIC's total loss claims payments.

23. In 5% (6 of 110) of Imperial claims paid, Home State used unlicensed adjusters. This finding was repeated from the 2019 examination and increased in percentage.

Conclusions of Law

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

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.

3. Home State 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. Home State, through MIC, violated TEX. INS. CODE § 542.055(a) by failing to acknowledge receipt of a claim within 15 days.

5. Home State, through Imperial and MIC, violated TEX. INS. CODE § 542.153(a) by failing to notify the insured in writing of an initial offer to settle a claim against the insured.

6. Home State, through Imperial and MIC, violated TEX. INS. CODE § 542.153(b) by failing to notify the insured in writing of a claim settlement against the insured.

7. Home State, through Imperial and MIC, violated TEX. INS. CODE § 4001.201 by allowing unappointed agents to issue or service policies.

8. Home State, through MIC, violated TEX. INS. CODE § 4051.051 by using an unlicensed agent to issue or service policies.

9. Home State, through Imperial, violated TEX. INS. CODE § 4101.051 by using unlicensed adjusters.

10. Home State, through Imperial and MIC, violated 28 TEX. ADMIN. CODE § 1.601(a)(2)(B) by failing to provide the correct TDI mailing address on the Notice of Toll-Free Numbers and Information and Complaint Procedures.

11. Home State, through MIC, violated 28 TEX. ADMIN. CODE § 1.601(b)(2) by failing to include the insurer's email address on the Notice of Toll-Free Numbers and Information and Complaint Procedures.

Order

It is ordered that Home State County Mutual Insurance Company pay an administrative penalty of $100,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which TDI will send after entry of this order.

Signed by:
Amanda Crawford
FE10434BC41A470...

Amanda Crawford
Commissioner of Insurance

Recommended and reviewed by:

Leah Gillum

Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division

Sarah White

Sarah White, Staff Attorney
Enforcement

2026-10062

Affidavit

STATE OF Oklahoma §
§
COUNTY OF Tulsa §

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

"My name is Jennifer Davis. 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 President and am the authorized representative of Home State County Mutual Insurance Company. I am duly authorized by said organization to execute this statement.

Home State 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 July 28, 2026.

(NOTARY SEAL)

MEYOUSHA ALLEN
NOTARY PUBLIC - STATE OF OKLAHOMA
MY COMMISSION EXPIRES MAY 04, 2030
COMMISSION # 22006298

Meyousha Allen
Signature of Notary Public

Meyousha Allen
Printed Name of Notary Public