**No. 2026-10177**

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

**Date: 10/06/2026**

**Subjects Considered:**

Foremost County Mutual Insurance Company
Foremost Property and Casualty Insurance Company
P.O. Box 2450
Grand Rapids, Michigan 49501

Consent Order
TDI Enforcement File Nos. 35697, 36286, and 36291

**General remarks and official action taken:**

This is a consent order with Foremost County Mutual Insurance Company (Foremost County Mutual) for violations discovered during its market conduct examination. Additionally, this order covers violations by Foremost County Mutual and Foremost Property and Casualty Insurance Company (referred to collectively as Respondents) for using unfiled credit scoring models in underwriting and rating private passenger auto policies. Respondents have agreed to pay a $210,000 administrative penalty.

**Waiver**

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

## Findings of Fact

Licensure

1. Foremost County Mutual holds a County Mutual certificate of authority, issued by the Texas Department of Insurance on November 10, 1949.

2. Foremost Property and Casualty Insurance Company is a fire and casualty insurance company holding a certificate of authority to transact business in Texas, issued by the department on July 22, 2010.

*Market Conduct Examination*

Previous Examination

3. The department conducted a market conduct examination of Foremost County Mutual for the period beginning January 1, 2015, and ending December 31, 2015.

4. Commissioner Order No. 2019-6033, dated July 31, 2019, addressed multiple violations discovered during this examination and imposed an administrative penalty of $75,000.

Current Examination

5. This market conduct examination covers activity between January 1, 2021, and December 31, 2021, on Foremost County Mutual's passenger automobile line of business.

Agents' Licensing and Appointments

6. The department reviewed a sample of 100 policies to determine compliance with agent licensing and appointment requirements.

7. In 1% (1 of 100) of the policies reviewed, Foremost County Mutual used an agent that was not appointed to issue or service policies.

Policy Forms and Filings

8. The department reviewed a sample of 100 policies to determine compliance with statutes and regulations.

9. In 100% (100 of 100) of the policies reviewed, Foremost County Mutual failed to insert the Notice of Toll-Free Telephone Numbers and Information and Complaint Procedures as the first, second, or third page of the set of documents.

Issued Policies

10. The department reviewed a sample of 100 issued policies.

11. In 8% (8 of 100) of the policies reviewed, Foremost County Mutual delivered or issued policies prior to receiving written rejections for uninsured or underinsured motorist coverage. In all but one of the eight policies, Foremost County Mutual was unable to provide evidence of the written rejection. In Foremost County Mutual's previous 2015 examination, in 13% (13 of 100) of the policies reviewed, Foremost County Mutual was unable to provide evidence of the written rejections.

12. In 9% (9 of 100) of the policies reviewed, Foremost County Mutual delivered or issued policies prior to receiving written rejections for personal injury protection coverage and was unable to provide evidence of the written rejection. In Foremost County Mutual's previous 2015 examination, similar violations were found: in 14% (14 of 100) of the policies reviewed, Foremost County Mutual was unable to provide evidence of the written rejections.

13. Foremost County Mutual maintains that their customers chose to reject uninsured or underinsured motorist and personal injury protection during the quote but elected to sign the business documents electronically after the policies were bound. Foremost County Mutual stated if a claim occurred between the effective date of coverage and the date on the signed rejection forms, coverage would have been provided for a covered loss.

14. Additionally, Foremost County Mutual has filed new policy forms regarding the consequences of failing to submit a signed rejection form, which have been approved by the department.

Claim Payments

15. The department reviewed a sample of 110 claims related to payments.

16. In 3% (3 of 110) of the claims reviewed, Foremost County Mutual failed to acknowledge receipt of the claim.

17. In 2% (2 of 110) of the claims reviewed, Foremost County Mutual failed to notify the insured in writing of an initial offer to settle a claim against the insured not later than the 10th day after the date an initial offer was made.

18. In 2% (2 of 110) of the claims reviewed, Foremost County Mutual failed to notify the insured in writing of a claim settlement against the insured not later than the 30th day after the date a claim is settled against a named insured.

Total Loss Claim Payments

19. The department reviewed a sample of 25 total loss claim payments to determine compliance.

20. In 4% (1 of 25) of the claims reviewed, Foremost County Mutual failed to acknowledge receipt of the claim.

Internal Control Observations

21. The department noted that Foremost County Mutual's internal controls and governance structure were ineffective to meet its obligation.

22. In 2% (2 of 100) of the policies reviewed, Foremost County Mutual failed to ensure the applicant/named insured dated the UM/UIM Rejection Form.

23. In 2% (2 of 100) of the policies reviewed, Foremost County Mutual failed to ensure the applicant/named insured dated the Personal Injury Protection rejection form.

24. In 10% (10 of 100) of the policies reviewed, Foremost County Mutual or the servicing agent failed to obtain or failed to maintain the insured's signed application per company document collection and retention policies.

25. In 1% (1 of 100) of the policies reviewed, Foremost County Mutual or the servicing agent failed to obtain or failed to maintain the signed uninsured or underinsured motorist coverage form per company document collection and retention policies.

26. In 3% (3 of 100) of the policies staff reviewed, Foremost County Mutual or the servicing agent failed to obtain or failed to maintain the signed personal injury protection form per company document collection and retention policies.

*Credit Scoring Model*

27. Texas law requires insurers to file any credit scoring model they will use with the department. Texas law prohibits insurers from combining a credit scoring model filing with any other filing type. An insurer must make its own credit scoring model filing, either including its own credit scoring model or referencing another filer's model.

28. In late 2023 and early 2024, Respondents submitted credit scoring model filings indicating a change from the Fair Issac InScore 3.0 Model to the Verisk Inflection Model for their applicable lines of business.

29. No prior credit scoring model filings were located for Foremost Property and Casualty Insurance Company since its authorization by the department in 2010. Through correspondence with the department, Foremost Property and Casualty Insurance Company represented it had been using a credit scoring model since at least March of 2013, without making its own required filing referencing the model it would use.

30. Foremost County Mutual Insurance Company represents it began using Fair Issac InScore 3.0 Model in March of 2013 but did not make the required filing with the department.

## Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 542.055, 542.153, 559.151, 801.051-801.053, 861.101, 862.051, 912.002, 912.101, 1952.101, 1952.152, and 4001.201; and 28 TEX. ADMIN CODE §§ 1.601 and 5.9352.

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. Respondents have 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. Foremost County Mutual violated 28 TEX. ADMIN. CODE § 1.601(a)(2)(A) by failing to insert the Notice of Toll-Free Telephone Numbers and Information and Complaint Procedures as the first, second, or third page of the set of policy creation documents.

5. Foremost County Mutual violated TEX. INS. CODE § 542.055 by failing to acknowledge receipt of a claim not later than the 15th day after the date it received notice of a claim.

6. Foremost County Mutual violated TEX. INS. CODE § 542.153(a) by failing to notify the insured in writing of an initial offer to settle a claim not later than the 10th day after the date an initial offer was made.

7. Foremost County Mutual violated TEX. INS. CODE § 542.153(b) by failing to notify the insured in writing of a claim settlement not later than the 30th day after the date a claim is settled against a named insured.

8. Foremost County Mutual violated TEX. INS. CODE § 1952.101 by delivering or issuing for delivery a policy covering liability arising out of the ownership, maintenance, or use of any motor vehicle prior to receiving written rejections for uninsured or underinsured motorist coverage.

9. Foremost County Mutual violated TEX. INS. CODE § 1952.152 by delivering or issuing for delivery an automobile liability insurance policy that covers liability arising out of the ownership, maintenance, or use of any motor vehicle prior to receiving written rejections for personal injury protection coverage.

10. Foremost County Mutual violated TEX. INS. CODE § 4001.201 by using agents to issue or service policies that have not been appointed to act as an agent for Foremost County Mutual.

11. Respondents violated TEX. INS. CODE § 559.151 by failing to file its credit scoring model or other credit scoring processes with the department.

12. Respondents violated 28 TEX. ADMIN. CODE § 5.9352 by failing to submit a credit scoring model filing prior to use of any model and by failing to provide required information.

## Order

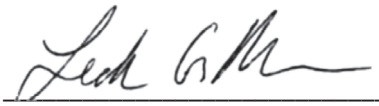
It is ordered that Foremost County Mutual Insurance Company and Foremost Property and Casualty Insurance Company jointly and severally pay an administrative penalty of $210,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

It is further ordered that Foremost County Mutual Insurance Company report to the department on or before 30 days from the date of this order. The report will affirm that Foremost County Mutual has fully implemented its post-exam corrective action plan. If Foremost County Mutual 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. Foremost County Mutual must send the report to EnforcementReports@tdi.texas.gov.

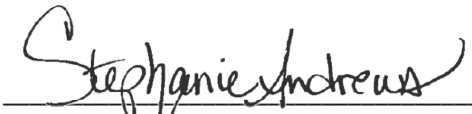
Signed by:
Amanda Crawford
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Amanda Crawford
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Stephanie Andrews, Staff Attorney
Enforcement

## Affidavit

**STATE OF** Florida **§**
**§**
**COUNTY OF** Miami-Dade **§**

Before me, the undersigned authority, virtually appeared Marika Karvelas, who being by me duly sworn, deposed as follows:

"My name is Marika Maniatis. 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 Assistance Secretary and am the authorized representative of Foremost County Mutual Insurance Company. I am duly authorized by said organization to execute this statement.

Foremost 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."

Marika Maniatis
Affiant

SWORN TO AND SUBSCRIBED before me on 16th of September, 2026.

(NOTARY SEAL)




Delia Rodriguez
Signature of Notary Public

Delia Rodriguez
Printed Name of Notary Public

Completed via Remote Online Notarization using 2 way Audio/Video technology.

NotaryCam Doc ID: 47ada849-74e3-4c77-9aee-cb8eff4a4f51

## Affidavit

**STATE OF** Florida **§**
**§**
**COUNTY OF** Miami-Dade **§**

Before me, the undersigned authority, virtually appeared Marika Karvelas, who being by me duly sworn, deposed as follows:

"My name is Marika Maniatis. 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 Assistant Secretary and am the authorized representative of Foremost Property and Casualty Insurance Company. I am duly authorized by said organization to execute this statement.

Foremost Property and Casualty 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."

Marika Maniatis
Affiant

SWORN TO AND SUBSCRIBED before me on 16th of September, 2026.

(NOTARY SEAL)

NOTARY PUBLIC STATE OF FLORIDA
DELIA RODRIGUEZ
Notary Public - State of Florida
Commission # HH 593221
My Comm. Expires Oct 10, 2028

Delia Rodriguez
Signature of Notary Public

Delia Rodriguez
Printed Name of Notary Public

Completed via Remote Online Notarization using 2 way Audio/Video technology.

NotaryCam Doc ID: 47ada849-74e3-4c77-9aee-cb8eff4a4f51