

No. **2022-7159**

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

**Date: 01/07/2022**

**Subject Considered:**

Pennsylvania Manufacturers' Association Insurance Company  
PO Box 3031  
Blue Bell, PA 19422-0754 a

Consent Order  
TDI Enforcement File No. 27604

**General remarks and official action taken:**

This is a consent order with Pennsylvania Manufacturers' Association Insurance Company (PMA). The department alleges that PMA incorrectly provided workers' compensation coverage to board members and committee members of condominium associations through use of a Voluntary Compensation and Employers Liability Coverage Endorsement. PMA has agreed to pay a \$90,000 administrative penalty and take corrective action as outlined in this order.

**Waiver**

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

**Findings of Fact**

1. PMA is a foreign casualty insurance company that holds a certificate of authority to transact business in Texas. PMA writes workers' compensation coverage in Texas.

## 2022-7159

Commissioner's Order

Pennsylvania Manufacturers' Association Insurance Company

Page 2 of 4

2. Under Texas law, volunteers are not considered employees for purposes of workers' compensation and should not be covered under workers' compensation policies except in statutorily-specified circumstances.
3. The department discovered that PMA had provided workers' compensation coverage to non-employee, volunteer board members and committee members of condominium associations through the Voluntary Compensation and Employers Liability Coverage Endorsement. The policies issued to the condominium associations were written on an "if any" basis without reported payroll.
4. PMA represents that no claims have been made on the policies issued to condominium associations by board members or committee members.
5. PMA has agreed to the following compliance plan:
  - a. Effective October 15, 2021, PMA ceased issuing the Voluntary Compensation and Employers Liability Endorsement on new workers' compensation policies issued to condominium associations to cover board members and committee members.
  - b. Effective October 15, 2021, PMA amended all marketing materials to reflect the actions in 5(a).
  - c. Effective January 1, 2022, PMA will non-renew policies issued to condominium associations without any employees and remove the Voluntary Compensation and Employers Liability Endorsement from in-force policies at renewal for condominium associations with employees.
  - d. PMA will handle any claims for coverage afforded during the policy period.

### Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 801.052–801.053, and 2052.002.
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. PMA 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

# 2022-7159

Commissioner's Order  
Pennsylvania Manufacturers' Association Insurance Company  
Page 3 of 4

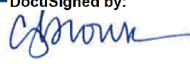
hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.

4. PMA violated TEX. INS. CODE § 2052.002.

## Order

It is ordered that PMA pay an administrative penalty of \$90,000 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 PMA must comply with the agreements made in Finding of Fact No. 5 above.

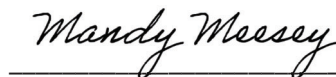
DocuSigned by:  
  
FC5D7EDDFB4F8...

\_\_\_\_\_  
Cassie Brown  
Commissioner of Insurance

Recommended and reviewed by:

  
\_\_\_\_\_

Leah Gillum, Deputy Commissioner  
Enforcement Division

  
\_\_\_\_\_

Mandy R. Meesey, Associate Commissioner  
Enforcement Division

**Affidavit**

STATE OF Pennsylvania §  
§  
COUNTY OF Montgomery §

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

"My name is Derek Hopper. 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 Executive Vice President,  
Chief Underwriting Officer and am the authorized representative of  
Pennsylvania Manufacturers' Association Insurance Company. I am duly authorized by  
said organization to execute this statement.

Pennsylvania Manufacturers' Association 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."

[Signature]  
Affiant

SWORN TO AND SUBSCRIBED before me on December 21, 2021.

(NOTARY SEAL)

[Signature]  
Signature of Notary Public

Donna-Marie Gentekos  
Printed Name of Notary Public

Commonwealth of Pennsylvania - Notary Seal  
Donna-Marie Gentekos, Notary Public  
Montgomery County  
My commission expires April 17, 2025  
Commission number 1211612  
Member, Pennsylvania Association of Notaries