

No. **2022-7429**

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

**Date: 08/11/2022**

**Subjects Considered:**

GEICO Indemnity Company  
One GEICO Plaza  
Washington, DC 20076-0001

GEICO County Mutual Insurance Company  
GEICO Texas County Mutual Insurance Company  
2280 N Greenville Ave  
Richardson, Texas 75082-4412

Consent Order  
TDI Enforcement File Nos. 29427, 29428, and 29429

**General remarks and official action taken:**

This is a consent order with GEICO Indemnity Company, GEICO County Mutual Insurance Company, and GEICO Texas County Mutual Insurance Company (collectively, the "GEICO Companies"). The GEICO Companies self-reported issues related to policy forms and email delivery of policies. The department discovered an issue related to GEICO Indemnity Company's use of credit scoring models.

**Waiver**

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

## Findings of Fact

1. GEICO Indemnity Company is a foreign fire and casualty insurance company holding a certificate of authority to transact business in Texas.
2. GEICO County Mutual Insurance Company and GEICO Texas County Mutual Insurance Company are both domestic county mutual companies holding a certificate of authority to transact business in Texas.

### GEICO Indemnity - Credit Scoring Model Filing

3. Texas law requires insurers to file their own credit scoring models with the department. Texas rules prohibit insurers from combining a credit scoring model with any other type of filing. An insurer must make its own credit scoring model filing, either including its own credit scoring model or referencing another filer's model.
4. On January 21, 2020, GEICO Indemnity made a rate/rule filing with the department for its motorcycle insurance products. In that filing the company referenced use of a credit scoring model filed by TransUnion. TransUnion had filed the model with the department, but GEICO Indemnity did not make its own credit scoring model filing.
5. GEICO Indemnity used the credit scoring model beginning February 24, 2020. It filed the credit scoring model with the department on February 23, 2022.

### GEICO County Mutual – Incorrect Contract Sent to Policyholders

6. Policies processed for renewal from September 16, 2021, to December 1, 2021, should have received newly-approved GEICO County Mutual policy form CC50 (10-20) with their renewal documentation. An IT table error caused policyholders to receive their existing policy form, CC50 (10-19). GEICO County Mutual represents that CC50 (10-19) provides broader coverage than CC50 (10-20).
7. GEICO County Mutual represents that it renewed 170,646 policies with the incorrect policy form version. GEICO County Mutual represents that it is adjusting claims in accordance with the policy form version sent to the policyholder. At the annual anniversary renewal, GEICO County Mutual represents that the

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policyholders will receive the updated policy form CC50 (10-20) with an explanatory Notice of Change in Policy Terms.

### GEICO Texas County Mutual – Incorrect Contract Sent to Policyholders

8. New policies using the telematics rating plans from September 23, 2021, to December 1, 2021, should have received newly-approved GEICO Texas County Mutual policy form CC50 (10-20). An IT table error caused policyholders to receive policy form CC50 (10-19) with their new business paperwork. GEICO Texas County Mutual represents that CC50 (10-19) provides broader coverage than CC50 (10-20).
9. GEICO Texas County Mutual represents that it renewed 193 policies with the incorrect policy form version. GEICO Texas County Mutual represents that it is adjusting claims in accordance with the policy form version sent to the policyholder. At the annual anniversary renewal, GEICO Texas County Mutual represents that the policyholders will receive the updated policy form CC50 (10-20) with an explanatory Notice of Change in Policy Terms.

### GEICO Texas County Mutual – Email Delivery of Policy

10. Between September 22, 2021, and January 23, 2022, policyholders who elected to receive electronic policy documents in lieu of paper forms did not receive an email delivery of the policy documents. The documents were, however, available to the policyholder through the GEICO website or the GEICO Mobile App.
11. GEICO Texas County Mutual represents that the error affected 67,578 policyholders and that it received no customer complaints regarding the e-delivery issue.

### **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, 912.101–912.152, and TEX. GOV'T CODE §§ 2001.051–2001.178.
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.

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3. The GEICO Companies 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. GEICO Indemnity violated TEX. INS. CODE § 559.151 and 28 TEX. ADMIN. CODE § 5.9352 by using a credit scoring model not filed with the department.

### Order

It is ordered that GEICO Indemnity Company pay an administrative penalty of \$25,000 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 GEICO County Mutual Insurance Company and GEICO Texas County Mutual Insurance Company comply with the agreements and representations made in Findings of Fact Nos. 7 and 9.

DocuSigned by:

  
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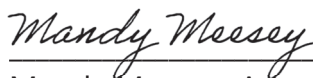
Cassie Brown  
Commissioner of Insurance

Recommended and reviewed by:



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Leah Gillum, Deputy Commissioner  
Fraud and Enforcement Division



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Mandy Meesey, Associate Commissioner  
Enforcement



**Affidavit**

STATE OF New York §

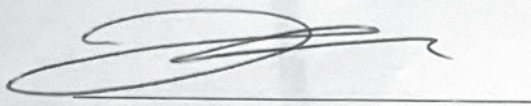
COUNTY OF Nassau §

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

"My name is Richard Blouin. 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 Liquor Control and am the authorized representative of GEICO County Mutual Insurance Company. I am duly authorized by said organization to execute this statement.

GEICO 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 August 2, 2022.

(NOTARY SEAL)

JASON MURIEL  
NOTARY PUBLIC, STATE OF NEW YORK  
NO. 01MU6332858  
QUALIFIED IN SUFFOLK COUNTY  
COMMISSION EXPIRES NOVEMBER 09, 2023



Signature of Notary Public

Jason Muriel  
Printed Name of Notary Public

Affidavit


STATE OF New York §  
  §  
COUNTY OF Nassau §

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

"My name is Richard Solove 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 Legislative Counsel and am the authorized representative of  
GEICO Texas County Mutual Insurance Company. I am duly authorized by said  
organization to execute this statement.

GEICO Texas 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."

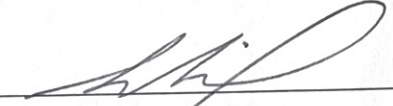
  
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Affiant

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**JASON MURIEL**  
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Signature of Notary Public

Jason Muriel  
\_\_\_\_\_  
Printed Name of Notary Public