

No. 2023-8022

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

Date: 6/15/2023

Subjects Considered:

Rehmat Ali Peerbhai
Lex General Agency, Inc.
Cencal Insurance Services, Inc.
3350 McCue Rd Apt 2602 Houston,
Texas 77056-7133

Mohammed Muzaffar Ahmed [REDACTED]
[REDACTED]
Spring, Texas 77379-6916

Jubilee General Agency, Inc.
5868 Westheimer Rd No 635
Houston, Texas 77057-5641

Consent Order
SOAH Docket No. 454-23-03276
TDI Enforcement File Nos. 30030, 30031, 26724, 27723, & 30192

General remarks and official action taken:

This is a consent order with Rehmat Ali Peerbhai (Peerbhai), Mohammed Muzaffar Ahmed (Ahmed), Jubilee General Agency, Inc. (Jubilee), Lex General Agency, Inc. (Lex), and Cencal Insurance Services, Inc. (Cencal), (collectively, Respondents). Jubilee, in its role as a managing general agent for an insurer, used unapproved policy forms on the insurer's behalf and continued to write new personal automobile insurance policies after the insurer terminated Jubilee's authority to do so. During a statutory examination of Jubilee, TDI also found significant and egregious violations of Texas law. Peerbhai consents to the voluntary surrender of all licenses. Ahmed agrees to cease and desist from engaging

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in unauthorized insurance. Jubilee and Cencal consent to the voluntary surrender of their managing general agent licenses. Lex agrees to the withdrawal of its application for a managing general agent license and agrees not to reapply for any license for a period of five years.

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

Background

1. Jubilee is a Texas-domiciled corporation. Under firm identification number 133806, Jubilee held a managing general agent (MGA) license issued by TDI on August 16, 2018. Jubilee's license expired on August 16, 2022. Jubilee presently holds no active appointments with any insurer.
2. Peerbhai is the sole owner, officer, director, and designated-responsible-licensed-person (DRLP) for Jubilee, according to TDI's records. Peerbhai, individual identification number 47666, holds two active licenses with TDI, a general lines agent license with a property and casualty qualification, and an individual MGA license.
3. Peerbhai has been previously disciplined by the Commissioner of Insurance, for alleged violations of the Texas Insurance Code and TDI rules, as found during a market conduct examination. Specifically, in Commissioner Order No. 98-1225, dated October 22, 1998, Peerbhai and Amco Insurance Agencies, Inc. (Amco), were ordered to comply with certain mandates, reporting requirements, and to pay a \$100,000 penalty. The allegations in the order included Peerbhai's and Amco's use of agents not holding the correct license; payment of insurance commissions to persons not licensed appropriately; failure to notify TDI that Amco had approximately 10 additional officers, directors, and shareholders, none of whom had appropriate licensure; entering into an illegal MGA agreement with an insurer; and failing to register 61 additional office locations with TDI.

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Material Misrepresentation in Jubilee's MGA Application

4. According to the records of the Texas Secretary of State (SOS), Jubilee was initially formed on or about March 2, 2015, listing its officers and directors as Peerbhai and his son, Rahim Ali Peerbhai (Rahim), individual identification no. 1697957.
5. Three years later, when Jubilee applied to TDI for its MGA license in August 2018, Jubilee failed to disclose to TDI that Rahim was also an officer and director of Jubilee.
6. That failure to disclose Rahim's involvement as a person controlling Jubilee was material to TDI's consideration of Jubilee's application at that time because Rahim had recently been denied an individual MGA license due to his criminal history.

Jubilee's Failure to Notify TDI of the Acquisition by Ahmed and Change of Jubilee's Controlling Persons

7. Ahmed is a resident of the state of Texas. Ahmed does not hold any license or authorization issued by TDI.
8. On or about April 9, 2019, Ahmed acquired 50% of the voting stock and ownership in Jubilee, without Jubilee submitting biographical information to notify TDI of Ahmed as an owner, as required by law.
9. SOS records show that on April 12, 2019, Jubilee amended its certificate of formation to add Ahmed as an additional officer and director, and at the same time removed Peerbhai's son, Rahim, as an officer and director.
10. Neither Jubilee nor Peerbhai as its DRLP notified or disclosed to TDI the change in the corporation's officers and directors to include Ahmed and to remove Rahim (who was never disclosed to TDI). Again, Jubilee did not provide the required biographical information to TDI for Ahmed to be an officer and director of Jubilee.
11. The acquisition and formation changes to include Ahmed as an owner, officer, director, and controlling person of Jubilee are material to Jubilee's licensure by TDI.

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12. TDI has no fingerprints or other information to ensure Ahmed is fit and qualified to control any licensee, much less an MGA. Moreover, Ahmed is not exempt or excepted from licensure in Texas.
13. On and after April 12, 2019, Ahmed has directly or indirectly engaged in the business of insurance in or from Texas by directing and controlling Jubilee as an officer and director, without notifying TDI.

Jubilee's Second Acquisition Without Notification to TDI

14. Following the above unreported changes, SOS records show that on or about October 23, 2019, an entity called Jubilee National Holdings, Inc. (Jubilee National) was incorporated in Texas, listing both Peerbhai and Ahmed as its directors.
15. Upon information and belief, Jubilee National is the 100% owner of Jubilee General Agency, Inc., and Jubilee National itself is owned equally by Peerbhai and Ahmed.
16. Jubilee National's ownership of Jubilee is material to Jubilee's licensure by TDI.
17. Jubilee and Peerbhai failed to notify TDI of the acquisition of Jubilee by Jubilee National, and again failed to provide TDI with biographical information for Ahmed as an owner of Jubilee.

Clear Spring's Agreement with Jubilee and the Use of Unapproved Forms

18. Clear Spring Property and Casualty Company (Clear Spring) is a domestic fire and casualty company holding a certificate of authority to do business in Texas.
19. Effective January 1, 2019, Jubilee entered into an MGA contract with Clear Spring to write private passenger automobile insurance business on Clear Spring's behalf. The contract allowed Jubilee to annually write a maximum of \$25 million in gross premium.
20. Clear Spring was approved by TDI to write both automobile liability and automobile physical damage lines of business. However, Clear Spring had not previously written private passenger automobile insurance business in Texas. Prior to 2019, Clear Spring primarily wrote commercial lines, including workers' compensation and credit lines of business.

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21. TDI's records show that on January 25, 2019, Clear Spring appointed Jubilee as its MGA. At that time, Jubilee was not appointed to act for any other insurer.
22. On January 16, 2019, Clear Spring submitted a policy form filing to TDI for review and approval in SERFF tracking number WESA-131773780. The filing was described as Clear Spring's initial personal automobile program with Jubilee, and was made by a third-party filer, Westmont Law (Westmont), with express written authority from Clear Spring's chief actuary.
23. The filing contained numerous forms displaying the "named driver" disclosure warning.¹ At the time of the filing, such disclosures were required by law if the insurer intended to deliver, issue for delivery, or renew a "named driver" policy in Texas.
24. Texas is a "prior approval" state, meaning that an insurer must file policy forms with TDI for review and await approval before using those forms.² A filed form is approved at the expiration of 60 days after it is filed, unless the commissioner by order approves or disapproves it.³ The 60th day after filing is known as the "deemer" date, and by rule, can be waived by the filer. Using a policy form before it is approved or "deemed" approved is prohibited.
25. In the filing, Clear Spring was also required to provide state-specific filing information, including answering the question: "Deemer waived under 28 TAC

¹ S.B. 1567 (83rd R.S., eff. Sept. 1, 2013) previously defined a "named driver policy" to mean an automobile insurance policy that does not provide coverage for an individual residing in a named insured's household specifically unless the individual is named on the policy or, is named by endorsement. On or after January 1, 2014, and prior to the repeal of S.B. 1567, an insurance company that delivered, issued for delivery, or renewed a named driver policy was required to take certain actions before accepting any premium for such a policy. This included giving the following written warning in the policy: "WARNING: A NAMED DRIVER POLICY DOES NOT PROVIDE COVERAGE FOR INDIVIDUALS RESIDING IN THE INSURED'S HOUSEHOLD THAT ARE NOT NAMED ON THE POLICY."

² Section 2301.006(a) of the Insurance Code provides in part that an insurer may not deliver or issue for delivery in this state a form for use in writing insurance described in Section 2301.003, unless the form has been filed with and approved by the commissioner.

³ TEX. INS. CODE § 2301.006(c)-(d) (setting the 60-day deem period and allowing the commissioner to extend the period by 10 days).

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- 5.9321?"⁴ Clear Spring waived the 60-day "deemer" when it answered "yes" to that question.
26. Only one hour before Westmont submitted that filing to TDI for Clear Spring, Peerbhai himself confirmed he had reviewed and approved the draft filing submission, which included Westmont's "yes" answer to waiving the deemer. Peerbhai requested no changes, stating to Westmont: "All looks good. Please proceed to file asap."
 27. By waiving the deemer, Clear Spring and Jubilee expressly authorized the commissioner to take more than 60 days to review and consider whether to approve or disapprove the form. The waiver of the deemer meant that, by law, the form could not be "deemed approved," and that it would require TDI's express approval before use, regardless of how long it took to be approved.
 28. TDI reviewed the filing and found numerous policy provisions that were not in compliance with Texas law. In the ordinary course of business, TDI made written objections in the filing about the various aspects of the forms that did not comply with Texas law. TDI also provided appropriate time for Clear Spring and Jubilee, through Westmont, to respond to each objection and to revise or add provisions to the forms to address each objection. The goal of this back-and-forth is to get to a place where the forms comply with the law and can be approved.
 29. At no time throughout TDI's review of the filing did Clear Spring or Jubilee, through Westmont, withdraw the waiver of the deemer. Peerbhai, Jubilee, and Clear Spring knew or should have known the form filing was not approved for use at that time because the deemer had been clearly waived.
 30. Regardless, on or about April 9, 2019, Jubilee began writing new insurance business in Texas for Clear Spring using forms that had been filed but not yet approved for use in Texas. Jubilee wrote policies in both one-month and six-month term lengths. Jubilee represents that Westmont communicated to Jubilee that the forms could be used.

⁴ At that time, section 5.9321 (*Request for Deemer Period Waiver*) read as follows: "An insurer may, by sending written notice to TDI, waive the deadlines by which the commissioner, under Insurance Code § 2301.006, must approve or disapprove a form before it is deemed approved." This version of the rule was subsequently amended effective July 28, 2019, and was relocated and adopted at 28 TEX. ADMIN. CODE § 5.9325.

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31. Four months later, Jubilee started to alter nearly all of the filed forms and then used these altered forms (which still had not been approved by TDI) for Clear Spring business. Indeed, Jubilee altered some of the forms multiple times, including the application and the policy itself.
32. By January 1, 2020, Jubilee had issued at least 18,845 Clear Spring policies to Texas consumers using unapproved policy forms.
33. On and after January 1, 2020, all insurers⁵ are prohibited by H.B. 259 (86th R.S.) from delivering, issuing for delivery, or renewing named driver policies.⁶
34. On February 14, 2020, Clear Spring's form filing was eventually approved for use in Texas after significant requested revisions to the initial filing, including, but not limited to, removal of "named driver" disclosure warnings and policy provisions or exclusions which limited any coverage to named drivers.

Prohibited Named Driver Policies and Misrepresentations of Coverage

35. Using some of the forms that had not yet been approved by TDI, Jubilee delivered, issued for delivery, and/or renewed named driver policies on Clear Spring's behalf, on and after January 1, 2020.
36. This practice lasted until at least February 14, 2020, when TDI eventually approved Clear Spring's form filing, but it may have continued longer.
37. In May and June of 2020, Jubilee issued declarations pages to new and renewal Clear Spring policyholders which contained the "named driver" warning disclosure. Jubilee admitted to TDI that approximately 7,124 policyholders were sent these declarations pages containing the prohibited disclosure.

⁵ On September 16, 2019, the commissioner issued a bulletin to all insurers writing auto insurance to address FAQs about the change to the law. www.tdi.texas.gov/bulletins/2019/B-0010-19.html Under H.B. 259, a named driver policy written on or before December 31, 2019, may continue in force for the length of its term, but may not be renewed at any time on or after January 1, 2020, and no insurer should have had any named driver policies in force after December 31, 2020.

⁶ Under TEX. INS. CODE § 1952.351(3), a "named driver policy" is an automobile insurance policy that provides any type of coverage for individuals named on the policy but that does not provide coverage for every individual who has permission to use a covered vehicle and who resides in a named insured's household.

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38. Jubilee further represented to TDI that on June 7, 2020, it stopped using that version of the declarations page. However, Jubilee did not take any corrective measures at that time or issue new declarations pages to Clear Spring policyholders. Instead, Jubilee seemingly expected the policyholder to intuitively know (without any notification from Jubilee) that the policyholder could or should print out a new declarations page from Jubilee's online system to get a corrected or accurate copy of his or her declarations page thereafter or for the remainder of the policyholder's one-month or six-month term.
39. Jubilee contends it did not treat those policies with declarations pages containing the prohibited disclosure as actual "named driver" policies for purposes of claims handling. However, warning policyholders after January 1, 2020, that unnamed household residents and permissive users are not covered under Clear Spring's policy constitutes a false, misleading, and deceptive statement.
40. Writing and renewing prohibited named driver policies on and after January 1, 2020, and making misrepresentations to Clear Spring policyholders that unnamed, household residents and permissive users are not covered under the policy, may have caused the denial of claims, in whole or in part, or otherwise harmed Texas insureds and claimants.

Peerbhai and Jubilee Assisted an Unlicensed Person and Entity to Adjust Claims

41. Texas law defines an adjuster to include a business entity which: investigates or adjusts losses on behalf of an insurer as an independent contractor or as an employee of: a property and casualty agent, an independent contractor, an insurer, or an MGA; supervises the handling of claims; or, investigates, adjusts, supervises the handling of, or settles workers' compensation claims.⁷
42. Under H.B. 2699 (82nd R.S.), since September 1, 2011, business entities have been required to hold an adjuster's license in order to perform the acts of an adjuster.⁸ To qualify for licensure, a business entity must also designate a licensed adjuster responsible for the entity's compliance with Texas law.⁹

⁷ TEX. INS. CODE § 4101.001(a)(1).

⁸ TEX. INS. CODE §§ 4101.001(a)(3) and (a)(5), 4101.051, and 4101.053(c).

⁹ *Id.*

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43. Clear Spring gave Jubilee claims handling authority in their MGA contract. However, Jubilee then directly delegated this authority to an unlicensed entity, Insurance Claims Associates Agency Inc. (ICA), through an oral agreement or arrangement.
44. According to the SOS's records, ICA's sole officer and director is Daniel LaRue Deschamps (Deschamps).
45. According to TDI's records, neither Deschamps nor ICA holds an adjuster license or any other license or authorization to engage in the business of insurance in Texas.
46. ICA used adjusters who worked remotely as independent contractors, most of whom appear to have been individually licensed by TDI or exempt from licensure.
47. However, Jubilee authorized Deschamps, as Jubilee's "Senior Claims Manager," to make coverage decisions on Clear Spring policies.
48. Jubilee directed and instructed its policyholders, claimants, their attorneys or representatives, and even subrogating insurers to contact ICA directly about claims or losses, including contacting them by email at: ica@icausaclaims.com.
49. The name "Insurance Claims Associates Agency Inc." is misleading and deceptive, giving the appearance to the public that ICA is licensed or authorized to engage in the business of insurance or adjusting, when in fact, it is not licensed or authorized to do any of those things.
50. Jubilee, under Peerbhai's direct control, paid the unlicensed ICA at least \$3.5 million to handle and adjust Texas claims on Clear Spring policies.

Termination of Jubilee's Contractual Authority

51. By June 1, 2020, Jubilee had at least 40,229 Clear Spring policies in force, most of which had initially been issued with unapproved forms.
52. On or about August 24, 2020, Clear Spring reviewed a complaint alleging that Jubilee violated the prohibition against named driver policies. As a result, Clear Spring reviewed some policy forms that Jubilee had issued on Clear Spring's behalf

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as MGA. Clear Spring found declarations pages and applications forms that were neither approved by TDI nor complied with Texas law.

53. On August 31, 2020, Clear Spring notified Jubilee and Peerbhai of the termination of their agreement. Specifically, Clear Spring immediately terminated Jubilee's authority to write new policies. Clear Spring also instructed Jubilee to continue to administer policies in force and handle claims associated with those policies until the business ran off.
54. Jubilee disregarded this termination of authority and continued to write new business for Clear Spring. In fact, during the month of September 2020, Jubilee wrote 11,431 new policies for an additional \$856,251 in net written premium, while continuing to renew the 41,863 policies in force at that time. In other words, by the end of September 2020, the policy count had *increased* to a total of 53,294 policies in force.
55. On September 14, 2020, Clear Spring advised Jubilee that it had no authority to write any new business for Clear Spring, stating Jubilee may only offer renewals up to 12 months, as required by law and further instructed Jubilee:

Once a policyholder has been an insured of Clear Spring for 12 months, *no renewal of that policyholder is permissible*. All renewals must be with policy forms, applications, Declaration pages, etc. *that are currently approved* by the Texas Department of Insurance. . . . We expect that Jubilee will run off the book of business as expeditiously as possible. All claim adjudications must be made consistent with all applicable provisions of Texas law, including the new named driver law.

(emphasis added).

56. Clear Spring subsequently contracted with a third party to audit Jubilee. In November 2020, that auditor informed Clear Spring that Jubilee:
 - a. continued to write new policies despite termination of authority;
 - b. continued to use an unapproved application form; and
 - c. exceeded its contracted annual premium authority of \$25 million, by writing \$30.9 million in annual premium as of September 30, 2020.

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57. Then, three months after termination of the MGA agreement, on November 30, 2020, Jubilee submitted a rate filing to TDI proposing an increase for both new and renewal Clear Spring business, in SERFF tracking number PARE-132627240 (the rate filing).
58. The rate filing proposed increases in premium for both new and renewal business, with the changes to be effective for new policies on December 1, 2020, and for renewals on January 1, 2021. The proposed changes included a 15% increase in premium for bodily injury and physical damage coverage, with an overall 9.2% increase.
59. On December 9, 2020, Clear Spring demanded that Jubilee and Peerbhai withdraw the rate filing because it included a rate increase for new business, which Jubilee had no authority to write.
60. Jubilee and Peerbhai failed and refused to follow Clear Spring's clear directive and did not withdraw the rate filing. As a result, on December 15, 2020, Clear Spring submitted its own request to withdraw the rate filing.¹⁰
61. In December 2020, Jubilee filed suit against Clear Spring in Harris County District Court, Texas, seeking a temporary restraining order, injunctive relief, and a declaratory judgment that Clear Spring had not terminated their agreement. Jubilee took a nonsuit on December 29, 2020, after Clear Spring moved to dismiss alleging a forum-selection clause controlled the dispute's venue and jurisdiction.
62. On or about December 24, 2020, Clear Spring filed suit against Jubilee in the Circuit Court of Cook County, Illinois (the Illinois Lawsuit),¹¹ seeking a preliminary injunction to prevent Jubilee from issuing any new policies, using unapproved applications and forms, and to prevent them from denying coverage contradictory to Clear Spring's instructions or in violation of Texas law.
63. As of December 31, 2020, Jubilee had at least 48,315 Clear Spring policies in force. Nearly all of these policies had monthly terms.

¹⁰ Clear Spring also withdrew separately filed underwriting guidelines in SERFF tracking number PARE-132627329.

¹¹ Case No. 2020CH07467.

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64. On January 6, 2021, an Agreed Preliminary Injunction was entered in the Illinois Lawsuit in which the parties agreed to arbitration and preliminary injunctive relief, which remains in force until an arbitration award is entered. Jubilee then agreed to be enjoined from:
- a. issuing any new policies in Clear Spring's name and purportedly on Clear Spring's behalf;
 - b. using or relying on any applications, declaration pages, or policy jackets not approved by the Texas Department of Insurance; and
 - c. denying coverage to any insured under any Clear Spring policy in violation of Clear Spring's instructions or in violation of any Texas statutory provision.
65. The Illinois Lawsuit has not been resolved.

More Unapproved Forms and the Failure to Disclose another Controlling Person

66. On January 22, 2021, through Westmont, Clear Spring submitted to TDI a new form filing to bring its policy into compliance with H.B. 259 and other laws.¹²
67. Despite a lack of TDI's approval and Clear Spring's waiver of the deemer, Jubilee immediately began to use that policy form for Clear Spring on January 22, 2021. Jubilee represents this was due to errors in the policy administration computer program Jubilee leased from PC Processing, Inc.
68. As of January 31, 2021, Jubilee had at least 29,845 Clear Spring policies in force, some of which were issued or renewed using unapproved forms.
69. TDI did not approve that policy form for use until nearly six months later, on July 14, 2021, after several required revisions were made to what had been originally filed and illicitly used by Jubilee.
70. From January through March 2021, Jubilee represented to Westmont in communications about this policy form filing that an individual named "Priya Parmer" aka "Priya Parmar" aka "Priya Chauhan" (Parmer) is the "Chief Operating Officer" of Jubilee.

¹² SERFF tracking number WESA-132688727 (policy form filing to remove a class of driver exclusion).

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71. Neither Jubilee nor Peerbhai has ever notified or disclosed to TDI that Parmer was or is an officer or controlling person of Jubilee. Jubilee has not provided TDI with the required biographical information for Parmer to be an officer of Jubilee.
72. TDI has no record of licensure or authorization for Parmer, and therefore TDI has no fingerprints or other information to ensure Parmer is fit and qualified to control any licensee, much less an MGA. Moreover, Parmer is not exempt or excepted from licensure in Texas.
73. Jubilee's representations and inclusion of Parmer as an officer, director, or controlling person of Jubilee is material to Jubilee's licensure by TDI.

Clear Spring's Withdrawal from Personal Automobile Market and Transfer of Claims

74. On February 19, 2021, Clear Spring submitted for approval by TDI its proposed plan for an orderly withdrawal from writing personal automobile insurance in Texas, as required by law. Clear Spring proposed to reduce its total annual premium for private passenger liability, physical damage, and personal injury protection (PIP) coverages by 50% or more in Texas, but to maintain its certificate of authority. Jubilee represents that Clear Spring did not notify it of the filing of the withdrawal plan.
75. In the plan, Clear Spring reported that in 2020, Jubilee had written \$44.5 million in gross premium, greatly exceeding its annual \$25 million contractual limit of authority. Indeed, that limit had been exceeded only halfway through 2020. Clear Spring further represented that as of December 31, 2020, its estimated total reserves for outstanding losses, including incurred-but-not-reported (IBNR) losses, was over \$19.7 million.
76. Meanwhile, Clear Spring reported that Jubilee was paid more than \$9 million in commissions for policies sold between April 2019 through December 2020, with the vast majority of that amount, \$7.7 million, attributed to sales solely in 2020.
77. Clear Spring's plan included a notice of nonrenewal it intended to send to approximately 44,558 policyholders within 30 days of TDI's approval.
78. TDI began its review of the proposed withdrawal plan and corresponded with Clear Spring about certain deficiencies over the next few months. Jubilee represents that

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Clear Spring did not notify it of the notice of nonrenewal to be sent to policyholders.

79. By August 2021, Clear Spring separately discovered that Jubilee had settled a single claim for \$300,000, grossly in excess of Jubilee's \$25,000 settlement authority and the insurance policy's limits.
80. On August 20, 2021, Jubilee informed Clear Spring of its intent to shut down its operations and sought Clear Spring's approval to shift claims handling to a third party, The Littleton Group Western Division, Inc. (Littleton),¹³ because Clear Spring would bear the expense of future claims administration.
81. Clear Spring agreed and instructed Jubilee to notify "all policyholders and third-party claimants by August 27, 2021," of the change in claims administrator and to provide Littleton's contact information. Jubilee expressly agreed to notify "policyholders and third-party claimants."
82. On or about September 1, 2021, Littleton began adjusting the claims on Clear Spring's policies written by Jubilee.
83. Jubilee represented to TDI that a letter providing notice of the change in claims administrator was not sent out until September 7, 2021, and that it was sent by first class mail to 1,080 "insureds" and to 1,431 "claimants."
84. Jubilee provided two exemplar notices to TDI, one for an "insured" and one for a "claimant." Even though one letter should have been directed to policyholders (who may or may not have had a claim pending at that time), the wording in both exemplars was strangely the same, stating in part:

Effective September 1, 2021, The Littleton Group will serve as the new Claims Administrator for policies written through Jubilee MGA under Clear Spring Property and Casualty Company and ICA USA Claims will no longer be involved in *the adjudication of your claim*.

(emphasis added).

¹³ The Littleton Group Western Division, Inc., firm identification number 78897, holds an adjuster-all lines license issued by TDI on April 12, 2013.

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85. The notice may have only been sent to first and third-party claimants, and does not appear to have been sent to all policyholders in force at that time.
86. On November 24, 2021, TDI approved Clear Spring's withdrawal from writing personal automobile insurance in Texas. Jubilee represents that Clear Spring did not notify it that the withdrawal plan had been approved by TDI.
87. On December 28, 2021, Clear Spring then sent out notices of non-renewal to (what it believed were) all of its then-remaining 2,874 monthly policyholders. Clear Spring represented to TDI that the policyholders were informed that coverage would end on the expiration date of their monthly policy.
88. Based on the information provided to TDI by Clear Spring, the expectation was that the last policy would expire on February 7, 2022, and no policies should have remained in force after that date.

Lex General Agency, Inc's MGA License Application

89. While TDI was reviewing Clear Spring's proposed withdrawal plan, Lex submitted a MGA license application to TDI on April 12, 2021.
90. Lex's sole owner, officer, director, and DRLP is Peerbhai, who has engaged in acts for which he may be disciplined.
91. On May 19, 2021, TDI proposed to deny Lex's license application.
92. On June 14, 2021, Lex submitted its request for a hearing.

Targeted MGA Examination

93. Given all the issues with Jubilee's handling of Clear Spring's private passenger automobile business, TDI initiated a targeted examination of Jubilee in mid-September 2021, while Jubilee's license was still active and while TDI was reviewing Clear Spring's withdrawal plan.
94. The exam was authorized under TEX. INS. CODE § 4053.107, and initially focused on Jubilee's private passenger automobile policies issued or renewed on behalf of Clear Spring from January 1, 2020, to September 1, 2021.

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95. The purpose of the examination was to determine Jubilee's compliance with Texas law related to agents' licensing and appointments, rescinded policies, claims practices, consumer complaints, a review of sales, advertising, marketing, and underwriting and rating.
96. On March 23, 2022, Clear Spring notified TDI it canceled Jubilee's appointment for cause effective March 18, 2022.
97. On or about April 13, 2022, TDI expanded the scope of the examination to include policies issued or renewed on or after September 2, 2021, through April 13, 2022.
98. During the examination, TDI found that Jubilee continued to renew Clear Spring policies well into 2022 and well after the 12-month anniversary of the policies' original effective dates. Jubilee did this despite Clear Spring's TDI-approved withdrawal, and despite termination of the MGA agreement, a civil injunction, and formal termination of Jubilee's appointment to act as Clear Spring's MGA. Jubilee represents that these policies were renewed due to errors in the policy administration computer program Jubilee leased from PC Processing, Inc.
99. TDI also found other significant violations of Texas law during the exam, including Jubilee's:
 - a. failure to maintain a physical location, which also prevented TDI from performing an on-site examination;
 - b. failure to send required notices during claims handling;
 - c. failure to notify policyholders of the reason(s) for nonrenewal;
 - d. use of agents and agencies not appointed by Clear Spring;
 - e. use of rates not on file; and
 - f. the failure to fully submit to TDI's exam and provide requested information.

No Physical Location for Operations or Examination

100. Jubilee's license was still active when TDI's exam began, and TDI's records showed Jubilee's mailing address and business location address were the same: [REDACTED]
[REDACTED] Houston, Texas 77042-1917.

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101. On September 15, 2021, Jubilee's counsel notified TDI that it was no longer at that address and there was no physical location at which TDI could perform the examination. Jubilee's counsel stated it had "shut down its operations," and transferred all claims with Clear Spring's consent to Littleton. Jubilee stated that its "policy administration" was being handled by "accounting people" working from home, that the IT system was in Atlanta, Georgia, and "all processing is done remotely."
102. Jubilee informed TDI it leased software from PC Processing Inc. of Duluth, Georgia, which "performs all underwriting, claims, reporting, mailing, etc." Upon information and belief, PC Processing Inc. is owned by Alex Campos.
103. Neither Alex Campos nor PC Processing Inc. holds a license or authorization to engage in the business of insurance in Texas. And, neither Alex Campos nor PC Processing Inc. is exempt or excepted from licensure or authorization by TDI.
104. Jubilee did not have a physical location at the start of the examination or at any time during the examination. This failure to maintain a physical location prevented TDI from performing an on-site examination of the agency.
105. Moreover, Jubilee failed to notify TDI on a monthly basis of a change to its mailing address.
106. On or about September 21, 2021, a day after the exam began, Jubilee notified TDI and updated both its mailing and physical location addresses in TDI's records to a new address at: [REDACTED] Houston, TX 77057-5641 (the Westheimer address).
107. The Westheimer address is simply a rented mailbox at a commercial UPS retail shipping and packaging store. There are no Jubilee employees physically working at the Westheimer location. Neither policyholders nor claimants can visit Jubilee in person or contact Jubilee at the Westheimer address.
108. Jubilee did not maintain a physical location for its insurance business while it was actively licensed and did not have a physical location at which TDI could perform a statutorily-authorized MGA examination.

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Claims Review

109. TDI conducted stratified sampling to include all policy and coverage types for claims Jubilee processed in the initial exam period to determine compliance with policy provisions, timeliness and accuracy of payment, supporting documentation, general claims handling, adjuster licensing, and compliance with Texas law.
110. Jubilee failed to provide TDI with any requested claims data for total loss payments, preventing TDI from performing any claims review on that data or even determining if accepted total losses had been paid at all. Jubilee contended the vendor (that it should have been able to control), PC Processing, had system limitation issues and was unable to create a report with the requested information.
111. Jubilee failed to provide the claimant with the Notice of Rights Regarding Repair of Motor Vehicle in:
 - a. 99% (109 of 110) of the paid claims reviewed,
 - b. 96% (48 of 50) of the denied or closed without payment claims reviewed, and
 - c. 100% (25 of 25) of the pending claims reviewed.
112. Jubilee failed to send to the insured the notice of initial offer to settle a claim in:
 - a. 55% (60 of 110) of the paid claims reviewed, and
 - b. 40% (10 of 25) of the pending claims staff reviewed.
113. Jubilee failed to send to the insured any notice of claim settlement in:
 - a. 5% (6 of 110) of the paid claims reviewed, and
 - b. 4% (1 of 25) of the pending claims staff reviewed.
114. In 15% (16 of 110) of the paid claims reviewed, Jubilee failed to timely send to the insured, within 30 days of claim settlement, the notice of claim settlement.

Underwriting and Rating

115. TDI reviewed samples of newly issued and renewed policies, cancellations, and non-renewals to determine the accuracy of underwriting and rating as filed with TDI under the applicable statutes and rules.

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116. In 100% (25 of 25) of the non-renewed policies reviewed, Jubilee failed to state the reason for non-renewal in the notices sent to the insureds.
117. In 100% (100 of 100) of new and renewal policies reviewed, Jubilee did not identify the insurer's (i.e. Clear Spring's) mailing address and email address¹⁴ in the Notice of Toll-Free Telephone Numbers and Procedures for Obtaining Information and Filing Complaints.
118. The only address identified in the notice was stated as "Administered by: Jubilee General Agency, 5353 W. Alabama St., Suite 218, Houston, TX 77056" (Alabama Street). Jubilee contended that Alabama Street was its own "old address." However, TDI has no historical record of Alabama Street for Jubilee, demonstrating that not only did Jubilee not inform policyholders of Clear Spring's address, but that Jubilee also previously failed to timely inform TDI of a change to its own mailing address and that it was operating on Alabama Street.
119. In 40% (20 of 50) of the newly issued policies reviewed, Jubilee used agents that were not appointed with Clear Spring to issue or service policies.¹⁵
120. In 53% (53 of 100) of the new and renewal policies reviewed, declarations pages showed that Jubilee used insurance agencies that were not appointed with Clear Spring to issue or service policies.¹⁶
121. Jubilee failed to ensure premiums were accurately billed in accordance with filed rates, applicable rating manuals, supplementary rating information, and any additional information, specifically:
 - a. in 51% (51 of 100) of the issued policies reviewed, Jubilee used driver class factors that were not filed with TDI, and
 - b. in 20% (20 of 100) of the issued policies reviewed, Jubilee failed to follow the rating algorithm filed with TDI for rental coverage, comprehensive

¹⁴ Stating the insurer's email address was required by law on and after May 1, 2020. See 44 Tex.Reg. 6541, eff. November 4, 2019.

¹⁵ The contract between Jubilee and Clear Spring did not give Jubilee authority to appoint producers. Clear Spring retained its appointing authority, and Jubilee agreed that it would not delegate any authority to any licensed producer other than to produce eligible business.

¹⁶ *Id.*

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coverage, collision coverage, uninsured motorist (UM) bodily injury, and UM property damage coverages.

122. Within the sampling TDI examined, Jubilee's use of unfiled driver class factors and non-adherence to the filed rating algorithm caused some policyholders to be either overcharged or undercharged premium. In the samples reviewed, the majority of overcharged premium was less than \$1.
123. During the exam, TDI requested that Jubilee provide more information about these rating issues and the impact on policyholders. However, Jubilee did not respond to that request.
124. Jubilee harmed Clear Spring policyholders by: overcharging them premium associated with use of rates different than those on file; failing to send required notices to policyholders and claimants; and engaging in egregious claims handling practices.

Missing Provision in the MGA Contract

125. TDI reviewed the MGA contract between Jubilee and Clear Spring during the examination and found that the contract did not fully comply with the Texas Administrative Code. The contract was missing a contractual provision that Jubilee was not required to return, as commission or return commission, monies greater than the total commission paid or otherwise payable to Jubilee.

Jubilee Renewed, Re-issued, or Reinstated Policies Previously Non-Renewed

126. Under the TDI-approved withdrawal plan, no Clear Spring policies should have been in force after February 7, 2022, because the last policy was scheduled to expire on February 7, 2022. Jubilee represents that all policies discussed below were erroneously renewed due to errors in the policy administration computer program leased from PC Processing, Inc.
127. On or about March 15, 2022, Jubilee, through Parmer, emailed Clear Spring a list identifying 2,772 active policies in force which Jubilee renewed, re-issued, or reinstated contrary to Clear Spring's approved withdrawal plan, the Agreed Preliminary Injunction in the Illinois Lawsuit, and which were on the list of policyholders to whom Clear Spring had previously sent nonrenewal notices. Many

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of these one-month policies had effective dates starting on and after February 15, 2022, while others showed effective dates for that day, March 15, 2022, and later effective dates in the then-future.

128. TDI's examiner found policies in Jubilee's system showing that despite notices of nonrenewal sent to policyholders in accord with the TDI-approved withdrawal plan, Jubilee continued to renew some policies after that nonrenewal and after the policies had reached the 12-month anniversary of their original effective date.
129. TDI's examiner found that Jubilee renewed some policies as late as April 2022, and incredulously, did so after the injunction, contract termination, and Clear Spring cancellation of its appointment for cause.
130. When TDI's examiner asked Jubilee in early April 2022 for the date it last issued a new or renewal policy, Jubilee blatantly lied to TDI's examiner, stating that it had issued the last new policy on December 24, 2020, and that policies were allowed to renew until the policy's anniversary date (December 24, 2021). Jubilee's statement to TDI was false, misleading, and deceptive.
131. In mid-April 2022, when TDI's examiner confronted Jubilee with a follow-up request asking for an explanation as to why Jubilee continued to renew policies after the policyholder was informed of nonrenewal, Jubilee went silent and stopped communicating with TDI altogether.

Jubilee's Failure to Cooperate and Fully Submit to Examination

132. Throughout the examination, Jubilee indicated that TDI should contact either Parmer or Taz Bana aka Mumtaz Bana (Bana). Bana holds an adjuster license with TDI under individual identification number 37189, and is the mother of Peerbhai's son, Rahim. Bana is not an owner, officer, director, or other controlling person for Jubilee.
133. Despite being the DRLP for Jubilee, Peerbhai did not participate in TDI's examination of Jubilee, communicate with TDI during the exam, or otherwise appear to contribute or respond to TDI's requests for information. Peerbhai represents that his absence was due to ongoing medical issues.
134. During the exam, Jubilee was consistently late with responses and non-responsive to other requests. TDI's examiner had to repeatedly ask for data missing from

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- responses received and towards the end of the exam, information was not provided at all.
135. Jubilee relied upon its unlicensed software provider, PC Processing and its representatives, including Alex Campos, to provide data to respond to TDI's requests.
 136. In January 2022, TDI made multiple requests for data that had not been provided throughout the exam, and even scheduled a meeting with Jubilee to reiterate examination expectations and discuss the necessity of providing the data.
 137. One such request to which Jubilee had not yet responded included the Opening Letter Questionnaire sent to Jubilee with the exam notice at the start of the exam five months earlier.
 138. In March 2022, Jubilee requested that all future data requests be sent to PC Processing. TDI denied that request and informed Jubilee that it is the MGA's responsibility to provide responses to the examiner.
 139. On April 1, 2022, TDI sent a request asking for a copy of the contract between Jubilee and PC Processing. Jubilee did not provide the contract. Parmer claimed that only Peerbhai had a copy and that he was traveling out of the country for a few months. Parmer further claimed that she requested that PC Processing provide a copy but that Alex Campos was also out of town.
 140. After the scope of the exam was expanded on or about April 13, 2022, TDI again met with Jubilee on April 15, 2022, to again instruct that Jubilee provide all requested, outstanding information within 10 days.
 141. Some information was provided to TDI in the days following that meeting.
 142. For example, Jubilee finally responded to the Opening Letter Questionnaire eight months after it was sent. In that response:
 - a. Jubilee admitted to having written more than \$55 million in direct written premium (DWP) during the initial exam period of January 1, 2021, through September 1, 2021. That DWP is more than double Jubilee's \$25 million in annual GWP authority; and

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- b. Jubilee made a false, deceptive, or misleading statement to TDI's examiner claiming "Jubilee never issued named driver policies."
143. On May 4, 2022, Parmer contacted TDI stating that Bana would be out of town for two weeks. TDI informed Parmer that the responses to all outstanding requests would still be due on the required due date.
144. After that, no one from Jubilee communicated with TDI.
145. On May 23, 2022, TDI notified Jubilee of the closure of the examination.
146. At the conclusion of the examination, Jubilee had failed to provide responsive information to TDI on as many as nine outstanding document requests (DRs).
147. Jubilee's failure to cooperate and to timely and completely provide all requested information to TDI constitutes a failure to fully submit to the MGA examination.

Axis General Agency, LLC's Material Misrepresentations and MGA Licensure

148. As Jubilee's business with Clear Spring disintegrated and the TDI examination uncovered serious violations of Texas law, Peerbhai formed and sought out new business entities from which to engage in more misconduct.
149. On June 24, 2022, Axis General Agency, LLC. (Axis) submitted an MGA license application to TDI.
150. In its application, Axis represented to TDI that a certain TDI-licensed individual was its president, sole member, owner, officer, director, and DRLP.
151. Contrary to that representation, records from the SOS show that Axis was formed two days earlier, on June 22, 2022, and that its sole managers are Peerbhai and a different individual who does not hold a TDI license.
152. Axis made material misrepresentations to TDI regarding its true owners, officers, directors, members, managers, or controlling persons, by completely omitting Peerbhai's name from the application itself, intentionally or purposely, in order to obtain Axis's MGA license from TDI.

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153. Despite TDI procedures to initiate additional review of an application because the applicant or its controlling persons are the subject of a pending investigation, TDI's staff made a mistake and additional review did not occur on Axis's application.
154. On June 28, 2022, TDI mistakenly issued Axis an MGA license, in part based upon this material misrepresentation. Axis voluntarily surrendered its MGA license effective March 28, 2023.

Cencal Insurance Services, Inc.'s MGA Licensure

155. SOS records show that on August 29, 2019, Cencal Insurance Services, Inc. (Cencal) was incorporated in Texas.¹⁷
156. Nearly three years later, on June 29, 2022, Cencal submitted a MGA license application to TDI. Cencal's designated addresses for its only business location and mailing address is: [REDACTED], Houston, Texas 77056 (the McCue Condo). The McCue Condo is located in the Bristol Condominiums, which are residential condominiums in a tower located on private property, and therefore are physically inaccessible to the public doing any insurance business with Cencal.
157. Peerbhai owns the McCue Condo, and Peerbhai's designated mailing address, business location address, and residential addresses shown in TDI's records is the McCue Condo. The McCue Condo is only a half-mile away from Axis' designated address on Sagecircle.
158. Cencal's sole owner, officer, director, and DRLP is Peerbhai, who has engaged in acts for which he may be disciplined.
159. Despite TDI procedures to initiate additional review of the application because its controlling person is the subject of a pending investigation, TDI's staff made a mistake and additional review did not occur on Cencal's application.
160. On June 30, 2022, TDI issued Cencal's MGA license by mistake.

¹⁷ SOS records show that Cencal was also previously incorporated from June 2013 through May 2018. In that prior existence, Cencal was governed and controlled by Peerbhai, Ahmed, and a third individual named Abu Ali Peerbhai.

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161. Both Axis and Cencal obtained appointments with a different insurance entity in order to begin a new private passenger auto program. Those appointments and the program were canceled once the prospective insurer became aware of the issues surrounding Jubilee and Peerbhai.

Conclusions of Law

1. The Commissioner of Insurance has jurisdiction over this matter under TEX. INS. CODE §§ 82.051-82.055, 84.021-84.044, 101.101-101.103, 101.151-101.156, 541.003-541.061, 542.153, 551.002-551.055, 1952.305, 2251.101, 2301.006 4001.002, 4005.101, 4005.102, 4005.107, 4051.051, 4053.051, 4053.107, 4053.151, 4101.051, 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.
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. Peerbhai and Ahmed control the corporate license holder, Jubilee, and have the power to direct or cause the direction of the management and policies of Jubilee, whether directly or indirectly. TEX. INS. CODE § 4001.003(2).
5. Ahmed does not hold a license or authorization to perform the acts of an agent or to otherwise directly or indirectly engage in the business of insurance, as that term is defined in TEX. INS. CODE § 101.051, and is not exempt or excepted from licensure or authorization.
6. Ahmed engaged in the acts of an agent, MGA, and has otherwise directly or indirectly engaged in acts that constitute the business of insurance in Texas in violation of TEX. INS. CODE §§ 101.102, 4001.051, 4001.101, 4051.051, and 4053.051.

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7. Jubilee violated TEX. INS. CODE §§ 4001.252(b)(1)-(2) and (c)(3) by failing to notify TDI of the addition or removal of officers or directors, and further failing to timely file with TDI biographical information for each of its officers and directors administering its operations in Texas, and for each of its controlling shareholders.
8. Jubilee violated TEX. INS. CODE § 4001.253 by failing to notify TDI of its acquisition by a person and an entity, and failing to provide biographical information to TDI for each acquiring, controlling shareholder.
9. Peerbhai and Jubilee allowed Parmer to control the corporate license holder, Jubilee, and to have power to direct or cause the direction of the management and policies of Jubilee, whether directly or indirectly. TEX. INS. CODE § 4001.003(2).
10. Peerbhai and Jubilee violated TEX. INS. CODE §§ 101.102(a), 4001.051, 4001.101, 4051.051, and 4053.051 by directly or indirectly assisting Parmer with engaging in the business of insurance without a license or authorization.
11. Peerbhai and Jubilee engaged in dishonest acts or practices, in violation of TEX. INS. CODE § 4005.101(b)(5).
12. Peerbhai and Jubilee materially misrepresented the terms and conditions of an insurance policy or contract, in violation of TEX. INS. CODE § 4005.101(b)(6).
13. Jubilee violated TEX. INS. CODE § 4053.107(a) by failing to fully cooperate and submit to TDI's examination of its compliance with the laws of this state affecting its conduct by:
 - a. failing to submit to an on-site examination by TDI; and
 - b. failing to produce all requested data, information, and documents to TDI's examiner during the examination.
14. Jubilee violated 28 TEX. ADMIN. CODE § 19.902(a) by not having a physical location and therefore failed to maintain an office from which Jubilee conducts its insurance agency business.

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15. Jubilee violated 28 TEX. ADMIN. CODE § 19.906 by failing to timely notify TDI of its current address and past addresses.
16. Jubilee violated TEX. INS. CODE § 4053.104(a) and (b)(2) by failing to maintain records of the business it handled for Clear Spring, and failing to provide TDI's examiners with all data, information, and documents requested during the examination.
17. Jubilee violated TEX. INS. CODE § 4053.106 and 28 TEX. ADMIN. CODE § 19.1204(b)(10) when it exceeded its authorized gross premium volume limit in 2020, thereby breaching its fiduciary duty to its appointing insurer, Clear Spring.
18. Jubilee violated TEX. INS. CODE § 2301.006(a) by delivering or issuing for delivery personal automobile insurance policy forms which were not approved for use by the commissioner.
19. On and after January 1, 2020, Jubilee violated TEX. INS. CODE § 1952.353(a) by delivering, issuing for delivery, or renewing named driver policies.
20. Jubilee violated TEX. INS. CODE §§ 541.003, 541.051(1)(A)-(B), (4), 541.052, and 541.061 by issuing and renewing policies on and after January 1, 2020, which contained named driver provisions, exclusions, disclosures, warnings, or other verbiage in policy forms, declarations pages, and/or Texas Liability Insurance Cards.
21. Jubilee violated TEX. INS. CODE § 2251.101 by using a rate different than that on file with the department, specifically, using driver class factors not on file and failing to follow the filed rating algorithm for certain coverages.
22. Jubilee violated TEX. INS. CODE § 1952.305 and 28 TEX. ADMIN. CODE § 5.501 by failing to provide nearly all claimants with the Notice of Rights Regarding Repair of Motor Vehicle.
23. Jubilee violated TEX. INS. CODE § 542.153(a) by failing to send to nearly half of all insureds the notice of initial offer to settle a claim.
24. Jubilee violated TEX. INS. CODE § 542.153(b) by failing to timely send to multiple insureds the notice of claim settlement, and in some instances, failing to send the notice at all.

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25. Jubilee violated TEX. INS. CODE §§ 551.055 and 551.002(b)-(c) and 28 TEX. ADMIN. CODE § 5.7012 by failing to state the reasons for non-renewal in all notices sent to insureds.
26. Jubilee violated 28 TEX. ADMIN. CODE § 1.601(b)(2) by failing to identify Clear Spring's mailing address and email address in the Notice of Toll-Free Telephone Numbers and Procedures for Obtaining Information and Filing Complaints.
27. Jubilee violated TEX. INS. CODE § 4001.201 by using numerous agents and agencies that were not appointed with Clear Spring to issue or service policies.
28. Jubilee violated 28 TEX. ADMIN. CODE § 19.1204(b)(12) by failing to state in the contract with Clear Spring that Jubilee was not required to return, as commission or return commission, monies greater than the total commission paid or otherwise payable to Jubilee.
29. Jubilee violated TEX. INS. CODE §§ 101.102(a), 4101.051, and 4101.152, by assisting, directly or indirectly, Deschamps and ICA with engaging in the acts of an adjuster in this state without licensure or authorization.
30. TDI may deny Lex's license application because Peerbhai, as its only officer, director, and shareholder, has committed an act for which a license may be denied, in violation of TEX. INS. CODE § 4001.106(b)(7)(B).
31. TDI may discipline Cencal because Peerbhai, as its only officer, director, and shareholder, has committed an act for which a license may be denied, in violation of TEX. INS. CODE § 4001.106(b)(7)(B).

Order

1. License Surrenders: It is ordered that the individual managing general agent license issued to Rehmat Ali Peerbhai, the managing general agent license issued to Jubilee General Agency, Inc., and the managing general agent license issued to Cencal Insurance Services, Inc. are all surrendered as of the date of this Order.

It is also ordered that the general lines agent license with a property and casualty qualification issued to Rehmat Ali Peerbhai is surrendered as of September 1, 2023.

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Rehmat Ali Peerbhai agrees that he is permanently barred from applying either individually or as an officer, director, shareholder, or person with the power to direct or cause the direction of the management and policies of a license holder, whether directly or indirectly, for the issuance of any permit, license, or other authorization issued or existing under the authority of the Commissioner and the Texas Department of Insurance after the date of this Order.

This permanent bar applies to Rehmat Ali Peerbhai individually or as an officer, director, shareholder, or person with the power to direct or cause the direction of the management and policies of a license holder, whether directly or indirectly. Rehmat Ali Peerbhai further agrees and is ordered to remove himself as an officer, director, shareholder, or person with the power to direct or cause the direction of the management and policies of a license holder on or before September 1, 2023.


2. License Application Withdrawal: It is further ordered that the managing general agent license application submitted by Lex General Agency, Inc. is withdrawn. Lex General Agency, Inc. is ordered not to apply for the issuance of any permit, license, or other authorization issued or existing under the authority of the Commissioner of Insurance for five years from the date of this Order.
3. Cease and Desist: It is further ordered that Mohammed Muzaffar Ahmed cease and desist from engaging directly or indirectly in the business of insurance in or from Texas. Mohammed Muzaffar Ahmed is ordered not to apply for the issuance of any permit, license, or other authorization issued or existing under the authority of the Commissioner of Insurance for 10 years from the date of this Order.
4. Cooperation with Clear Spring Regarding Restitution to Claimants with Improper Claim Denials: In Order No. 2023-7896, issued on April 19, 2023, Clear Spring was ordered to pay restitution to certain claimants. These included claimants 1) whose first-party or third-party claims on Clear Spring policies were denied in whole or in part because the policy contained a prohibited named driver policy provision or exclusion in a policy delivered, issued, renewed, or reinstated on or after January 1, 2020, through March 18, 2022; or 2) received any misrepresentation of coverage in any unapproved policy form delivered, issued, renewed, or reinstated with policy effective dates between April 9, 2019, and March 18, 2022.

Rehmat Ali Peerbhai, Mohammed Muzaffar Ahmed, and Jubilee General Agency, Inc. must make available to Clear Spring all claims and policy information collected,

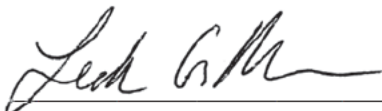
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stored, and currently accessible to Jubilee as of the date of this Order. This claims and policy information will remain available to Clear Spring until December 31, 2025.

DocuSigned by:

FC5D7EDDFFB94F8... _____
Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:



Leah Gamm, Deputy Commissioner
Fraud and Enforcement Division



Mandy Meese, Associate Commissioner
Enforcement

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Affidavit

STATE OF Texas §
§
COUNTY OF Harris §

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

"My name is Rehmat Peerbhai. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

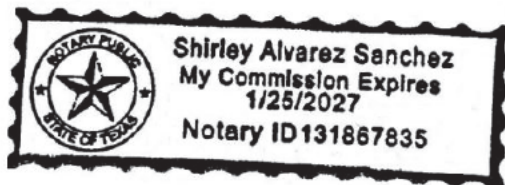
I hold the office of President and am the authorized representative of Jubilee General Agency, Inc. I am duly authorized by said organization to execute this statement.

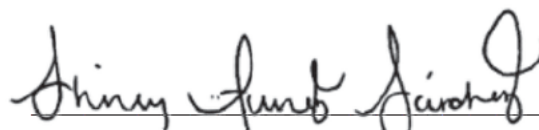
Jubilee General Agency, Inc. has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."


Affiant

SWORN TO AND SUBSCRIBED before me on Tuesday, June 6th, 2023.

(NOTARY SEAL)




Signature of Notary Public

Shirley Alvarez Sanchez
Printed Name of Notary Public

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Affidavit

STATE OF Texas §
§
COUNTY OF Harris §

Before me, the undersigned authority, personally appeared Rehmat Ali Peerbhai, who being by me duly sworn, deposed as follows:

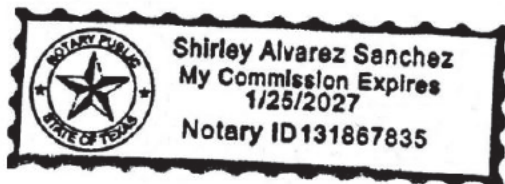
"My name is Rehmat Ali Peerbhai. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I have knowingly and voluntarily entered into the foregoing consent order and agree with and consent to the issuance and service of the same by the commissioner of insurance of the state of Texas."

Rehmat Ali Peerbhai
Affiant

SWORN TO AND SUBSCRIBED before me on Tuesday, June 6th, 2023.

(NOTARY SEAL)



Shirley Alvarez Sanchez
Signature of Notary Public

Shirley Alvarez Sanchez
Printed Name of Notary Public

Affidavit

STATE OF Texas §

§

COUNTY OF HARRIS §

Before me, the undersigned authority, personally appeared Mohammed Muzaffar Ahmed, who being by me duly sworn, deposed as follows:

"My name is Mohammed Muzaffar Ahmed. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

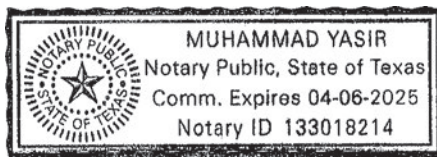
I have knowingly and voluntarily entered into the foregoing consent order and agree with and consent to the issuance and service of the same by the commissioner of insurance of the state of Texas."

Muhammed Ahmed

Affiant

SWORN TO AND SUBSCRIBED before me on 06/07, 2023.

(NOTARY SEAL)



[Handwritten Signature]

Signature of Notary Public

MUHAMMAD YASIR

Printed Name of Notary Public

2023-8022

Commissioner's Order
Rehmat Ali Peerbhai, et al
SOAH Docket No. 454-23-03276
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Affidavit

STATE OF Texas §
§
COUNTY OF Harris §

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

"My name is Rehmat Peerbhai. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

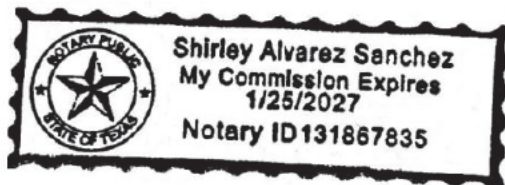
I hold the office of President and am the authorized representative of Lex General Agency, Inc. I am duly authorized by said organization to execute this statement.

Lex General Agency, Inc. 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."

George H. Sanchez
Affiant

SWORN TO AND SUBSCRIBED before me on Tuesday, June 6th, 2023.

(NOTARY SEAL)



Shirley Alvarez Sanchez
Signature of Notary Public

Shirley Alvarez Sanchez
Printed Name of Notary Public

2023-8022

Commissioner's Order
Rehmat Ali Peerbhai, et al
SOAH Docket No. 454-23-03276
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Affidavit

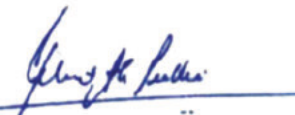
STATE OF Texas §
§
COUNTY OF Harris §

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

"My name is Rehmat Peerbhai. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

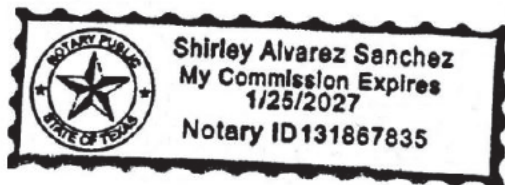
I hold the office of President and am the authorized representative of Cencal Insurance Services, Inc. I am duly authorized by said organization to execute this statement.

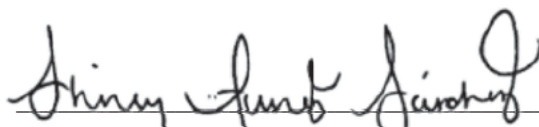
Cencal Insurance Services, Inc. has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."


Affiant

SWORN TO AND SUBSCRIBED before me on Tuesday, June 6th, 2023.

(NOTARY SEAL)




Signature of Notary Public

Shirley Alvarez Sanchez
Printed Name of Notary Public