

No. 2021-6657

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

Date: 01/19/2021

Subjects Considered:

Economy Preferred Insurance Company
Economy Premier Assurance Company
Economy Fire & Casualty Company
Metropolitan Property and Casualty Insurance Company
P.O. Box 350
700 Quaker Ln.
Warwick, RI 02887-0350

Consent Order
TDI Enforcement File Nos. 25450, 25449, 25448, and 26295

General remarks and official action taken:

This is a consent order with Economy Preferred Insurance Company (EPIC), Economy Premier Assurance Company (EPAC), Economy Fire & Casualty Company (EFCC), and Metropolitan Property and Casualty Insurance Company (MPCIC). For more than three years, EPIC, EPAC, and EFCC used unfiled credit scoring models in underwriting and rating private passenger auto policies. For 10 months, MPCIC and EPIC used unfiled credit scoring models in underwriting and rating private passenger auto policies and homeowners policies, respectively. EPIC, EPAC, EFCC, and MPCIC have since made the requisite filings and have agreed to pay a \$25,000 administrative penalty.

Waiver

EPIC, EPAC, EFCC, and MPCIC acknowledge that the Texas Insurance Code and other applicable law provide certain rights. EPIC, EPAC, EFCC, and MPCIC waive these rights, and any other applicable procedural rights, in consideration of the entry of this consent order. Pursuant to TEX. INS. CODE § 82.055(b), EPIC, EPAC, EFCC, and MPCIC agree to this

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consent order with the express reservation that they do not admit to a violation of the Texas Insurance Code or of a rule and that the existence of a violation is in dispute.

Findings of Fact

1. EPIC, EPAC, EFCC, and MPCIC are foreign fire and casualty insurance companies holding certificates of authority to transact business in Texas.
2. In 2019, the Texas Department of Insurance (TDI) requested information from EPIC and EPAC concerning their use of credit information, including the companies' credit scoring model filings.
3. EPIC and EPAC responded to TDI's request for this information but failed to include all necessary information concerning their credit scoring model filings.
4. After further correspondence, TDI confirmed that EPIC and EPAC had never filed a credit scoring model before beginning to use it in both underwriting and rating private passenger auto policies. TDI also found that EFCC had failed to file a credit scoring model before beginning to use it in both underwriting and rating private passenger auto policies.
5. On October 28, 2020, MPCIC similarly self-reported that it had failed to file a credit scoring model before beginning to use it in both underwriting and rating private passenger auto policies.
6. On the same date, EPIC self-reported that it had also failed to file a credit scoring model before beginning to use it in both underwriting and rating homeowners policies.

Private Passenger Auto Business

7. EPIC and EPAC used an unfiled credit scoring model for new private passenger auto business starting on October 16, 2015, and for existing business starting on December 15, 2015.
8. EFCC used an unfiled credit scoring model for new private passenger auto business starting November 14, 2016, and for existing business starting January 13, 2017.

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9. EPIC, EPAC, and EFCC made the required credit scoring model filings for the auto policies on January 27, 2020.
10. MPCIC used an unfiled credit scoring model for new private passenger auto business starting on January 1, 2020, until it made the required credit scoring model filings on November 3, 2020.

Homeowners Business

11. EPIC used an unfiled credit scoring model for new homeowners business starting on January 1, 2020, until it made the required credit scoring model filings on November 3, 2020.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, and 801.051–801.053.
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. EPIC, EPAC, EFCC, and MPCIC have knowingly and voluntarily waived all procedural rights to which they 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. EPIC, EPAC, EFCC, and MPCIC violated TEX. INS. CODE § 559.151 and 28 TEX. ADMIN. CODE § 5.9352 by using unfiled credit scoring models.

Order


It is ordered that Economy Preferred Insurance Company, Economy Premier Assurance Company, Economy Fire & Casualty Company, and Metropolitan Property and Casualty Insurance Company must jointly and severally pay an administrative penalty of \$25,000 within 30 days from the date of this order. The administrative penalty must be paid by company check made payable to the "State of Texas" and transmitted to the Texas

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Department of Insurance, Attn: Enforcement, Division 60851, MC 9999, P.O. Box 149104,
Austin, Texas 78714-9104.

Commissioner of Insurance

DocuSigned by:

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By: _____
Doug Slape
Chief Deputy Commissioner
TEX. GOV'T CODE § 601.002
Commissioner's Order No. 2018-5528

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Enforcement Division



Kaycee Crisp, Staff Attorney
Enforcement Division

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Declaration

STATE OF RHODE ISLAND §
§
COUNTY OF WASHINGTON §

My name is Christopher T. Rhodes. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct. I hereby declare as follows:

I hold the office of Senior Vice President and am the authorized representative of Economy Preferred Insurance Company. I am duly authorized by said organization to execute this statement.

Economy Preferred 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.

Christopher Rhodes

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01/08/2021 18:26:00 UTC

01/08/2021

Date

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Declaration

STATE OF RHODE ISLAND §
§
COUNTY OF WASHINGTON §

My name is Christopher T. Rhodes. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct. I hereby declare as follows:

I hold the office of Senior Vice President and am the authorized representative of Economy Premier Assurance Company. I am duly authorized by said organization to execute this statement.

Economy Premier Assurance 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.

Christopher Rhodes

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01/08/2021

Date

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Declaration

STATE OF RHODE ISLAND §
§
COUNTY OF WASHINGTON §

My name is Christopher T. Rhodes. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct. I hereby declare as follows:

I hold the office of Senior Vice President and am the authorized representative of Economy Fire & Casualty Company. I am duly authorized by said organization to execute this statement.

Economy Fire & Casualty Company have 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.

Christopher Rhodes

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01/08/2021

Date

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Declaration

STATE OF RHODE ISLAND §
§
COUNTY OF WASHINGTON §

My name is Christopher T. Rhodes. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct. I hereby declare as follows:

I hold the office of Senior Vice President and am the authorized representative of Metropolitan Property and Casualty Insurance Company. I am duly authorized by said organization to execute this statement.

Metropolitan 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.

Christopher Rhodes

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01/08/2021

Date

Document History

SignNow E-Signature Audit Log

All dates expressed in MM/DD/YYYY (US)

Document name: Texas Consent Order
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Sender: alozano@metlife.com
Signers: crhodes1@metlife.com
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