

No. 2023-7836

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

Date: 03/06/2023

Subject Considered:

Velocity Risk Underwriters, LLC
10 Burton Hills Blvd., Ste. 300
Nashville, Tennessee 37215

Consent Order
TDI Enforcement File No. 30647

General remarks and official action taken:

This is a consent order with Velocity Risk Underwriters, LLC (Velocity). Velocity failed to timely file surplus lines policies and related documents. Velocity has agreed to pay an administrative penalty of \$3,250 for these violations.

Waiver

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

Findings of Fact

1. Velocity, organization identification number 112423, holds a surplus lines license issued by the Texas Department of Insurance.

2023-7836

Commissioner's Order

Velocity Risk Underwriters, LLC

Page 2 of 5

2. Pursuant to TEX. INS. CODE § 981.105(a), a surplus lines insurance agent must file with the Surplus Lines Stamping Office of Texas either:
 - a. a copy of the policy issued or
 - b. if the policy has not yet been issued, a copy of the certificate, cover note, or other confirmation of insurance delivered to the insured.

This information is due not later than the 60th day after the later of the effective date or the issue date of new or renewal surplus lines insurance.

3. In 2021, Velocity filed surplus lines policies late.
4. Velocity represents that in late 2020, it was instructed by the Surplus Lines Stamping Office of Texas (Office) to cease physically sending in its surplus lines policies for filing. Velocity was transitioning to an online filing system at that time, and there were errors within Velocity's system which needed to be corrected. Velocity and the Office had an agreement which allowed Velocity to file policies after the 60th day, without penalty, until Velocity's system was functioning properly.
5. After Velocity's system was fully functional in 2021, Velocity worked through the backlog of late filed surplus lines policies and identified for the Office which filings were impacted by the delay. Velocity advised the Office that as of July 1, 2021, all impacted surplus lines policies were properly filed.
6. The late filed surplus lines policies for calendar year 2021 included ten policies which were effective in 2020. These policies were not identified by Velocity as exempt from penalty, per the agreement, during the period of working through the backlog of late filings.
7. Velocity maintains it mistakenly overlooked these filings, and they should have been identified and exempted from penalty.
8. In 2021, Velocity represents it implemented new policies and procedures to prevent late filing of surplus lines policies, which resulted in a 0.78% late filing rate reported for Velocity in the 2021 Surplus Lines Stamping Office of Texas Annual Late Filing Report.
9. The commissioner previously disciplined Velocity for violating TEX. INS. CODE § 981.105(a) in Official Order No. 2022-7182, entered on January 21, 2022, for late filings of policies filed in 2020.

2023-7836

Commissioner's Order

Velocity Risk Underwriters, LLC

Page 3 of 5

Conclusions of Law

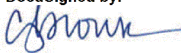
1. The commissioner of insurance has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051-82.055, 84.021-84.044, and 981.105.
2. The commissioner of insurance has authority to informally dispose of this matter under TEX. INS. CODE § 82.055, TEX. GOV'T CODE § 2001.056, and 28 TEX. ADMIN. CODE § 1.47.
3. Velocity 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 hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Velocity violated TEX. INS. CODE § 981.105(a) by failing to timely file new or renewal surplus lines policies and related documents.

2023-7836

Commissioner's Order
Velocity Risk Underwriters, LLC
Page 4 of 5

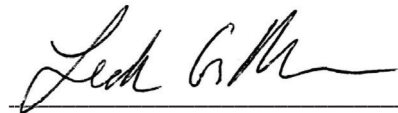
Order

It is ordered that Velocity Risk Underwriters, LLC must pay an administrative penalty of \$3,250 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.

DocuSigned by:

FC5D7EDDFB4F8...

Cassie Brown
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Stephanie Daniels, Attorney
Enforcement

Affidavit

THE STATE OF Tennessee §

§

COUNTY OF Davidson §

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

"My name is Rod Arden. 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 Chief Risk Officer and am the authorized representative of Velocity Risk Underwriters, LLC. I am duly authorized by the organization to execute this statement.

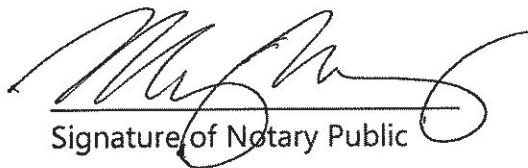
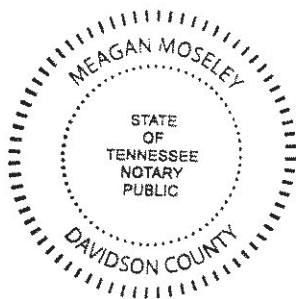
Velocity Risk Underwriters, LLC has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."



Affiant

SWORN TO AND SUBSCRIBED before me on February 1st, 2023.

(NOTARY SEAL)



Signature of Notary Public

Meagan Moseley

Printed Name of Notary Public

My Commission Expires
September 8, 2025