

No. **2024-8700**

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

Date: 6/25/2024

Subject Considered:

National Union Fire Insurance Company of Pittsburgh, Pa.
1271 Avenue of the Americas Fl 37
New York, NY 10020-1303

Consent Order
TDI Enforcement File No. 34669

General remarks and official action taken:

This is a consent order with National Union Fire Insurance Company of Pittsburgh, Pa. (National Union). National Union self-reported to the department that it discovered errors related to certain commercial automobile rates. National Union has agreed to pay restitution to the policyholders who were overcharged.

Waiver

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

Findings of Fact

1. National Union is a foreign fire and casualty insurance company holding a certificate of authority to transact business in Texas.

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Errors in Rate Deviation

2. In April 2024, National Union notified the department that it discovered an error in its commercial automobile rates filed under SERFF Filing AGNY-133699429, effective November 1, 2023. Specifically, National Union calculated the rate deviation factors for certain classes based on filed, but superseded, rate deviations in the company's 2021 filing. The error resulted in overcharges to certain policyholders.
3. National Union represents that it corrected the issue for new and renewal policies with an effective date on or after March 29, 2024.
4. On May 7, 2024, National Union filed corrected rate pages in its SERFF Filing AGNY-133699429.
5. In May 2024, National Union supplemented its notice to the department to disclose a system error related to implementation of the rates filed under SERFF Filing AGNY-133699429, which resulted in overcharges to additional policyholders.
6. National Union represents that the overcharges, which resulted from the rating and system errors, affected an estimated 409 Texas policies and refunds are estimated to be more than \$40,000. National Union represents that no policyholders were undercharged as a result of the errors.

Mitigation

7. National Union represents it has implemented internal process enhancements to reduce the risk of future errors, including additional manual analysis and review of filings.

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, and 2251.101.
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. National Union 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. National Union violated TEX. INS. CODE § 2251.052.
5. Pursuant to TEX. INS. CODE § 82.053, the commissioner is authorized to direct National Union to make complete restitution to each policyholder impacted by the violation.

Order

National Union is ordered to comply with the following:

- a. National Union must identify all commercial automobile insurance policies issued or renewed in Texas with effective dates from November 1, 2023, through March 29, 2024 (the Review Period).
- b. For each policy in the Review Period, National Union must calculate the Corrected Premium using the corrected rates. If the premium charged is more than the Corrected Premium, the difference constitutes the "Overcharge."
- c. National Union must pay restitution in the form of a company check or account credit to each policyholder identified in the Review Period as having an Overcharge (the Qualifying Policyholders). The restitution check or account credit must include both the dollar amount of the overcharge, plus simple interest due on the overcharge. The rate of interest is 5% per annum.
- d. National Union must mail the restitution checks or issue the account credits to the Qualifying Policyholders on or before August 1, 2024.
- e. Any restitution checks that are returned to National Union with an address correction must be promptly resent to the correct address. Funds from any restitution checks that are returned thereafter for incorrect addresses and from checks that are not negotiated must be reported and delivered to the

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comptroller pursuant to the procedures and deadlines set forth in TEX. PROP. CODE §§ 72.001 *et. seq.*, 73.001 *et. seq.*, and 74.001 *et. seq.*

- f. On or before September 30, 2024, National Union must report the restitution paid to the Qualifying Policyholders by submitting a complete and sortable electronic spreadsheet to the department. The spreadsheet must contain the following information:
- i. policy number;
 - ii. policyholder name;
 - iii. policyholder address;
 - iv. effective date of the policy;
 - v. expiration date of the policy;
 - vi. amount of Overcharge;
 - vii. dollar amount of simple interest;
 - viii. amount of Overcharge and interest;
 - ix. date(s) of mailing of restitution check or credits;
 - x. the total sum of all Overcharges;
 - xi. the total sum of all simple interest; and
 - xii. the total sum of all restitution paid (total Overcharges plus the total of the simple interest).
- g. National Union must send all submissions required under the terms of this order by email to: EnforcementReports@tdi.texas.gov.

DocuSigned by:

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Cassie Brown
Commissioner of Insurance


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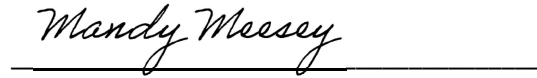
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Recommended and reviewed by:

A handwritten signature in cursive script, appearing to read "Leah Gillum", written over a horizontal line.

Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division

A handwritten signature in cursive script, appearing to read "Mandy Meesey", written over a horizontal line.

Mandy Meesey, Associate Commissioner
Enforcement

Affidavit


STATE OF NEW YORK §
§
COUNTY OF NEW YORK §

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

"My name is STEVEN R HARRIS. 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 VICE PRESIDENT and am the authorized representative of National Union Fire Insurance Company of Pittsburgh, Pa. I am duly authorized by said organization to execute this statement.

National Union Fire Insurance Company of Pittsburgh, Pa. 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."

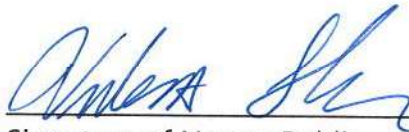


Affiant

SWORN TO AND SUBSCRIBED before me on JUNE 3rd, 2024.

(NOTARY SEAL)





Signature of Notary Public

Viktoriya Steinbok

Printed Name of Notary Public

VIKTORIYA STEINBOK
Notary Public, State of New York
No. 01ST6335987 Qualified in Queens County
Certificate Filed in New York County
Commission Expires January 25, 2028