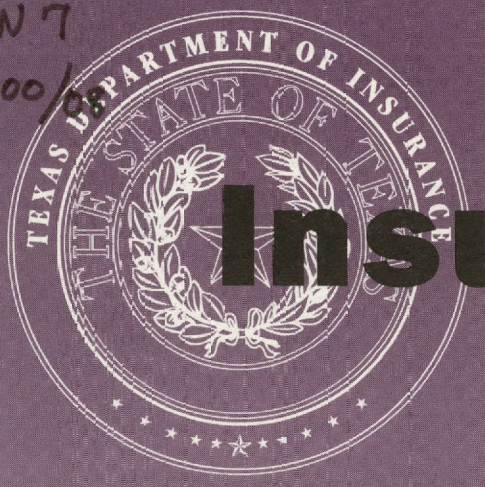


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# Texas Insurance News

REGULATORY NEWS PUBLISHED BY THE TEXAS DEPARTMENT OF INSURANCE

## Agent License Data to Go On-line

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### Texas Insurance News

is published each month. For a one-year subscription (12 issues), contact TDI's Publications Division at:

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The staff that prepares this newsletter has no role in proposing, drafting, editing or approving TDI rules or policies or interpreting statutes. Texas Insurance News should not be construed to represent the policy endorsement or opinion of the Commissioner of Insurance or the Texas Department of Insurance.

By necessity, summaries of proposed and adopted rules cannot explain their full complexity. Readers interested in complete information about administrative rules should consult the versions published in the Texas Register.

To the best of the staff's ability, information presented in this newsletter is correct as of the publication date, but scheduled dates and proposed rules and amendments may change as the adoption process goes forward.

**A** GENT LICENSE INFORMATION from TDI's database will go on the Internet in August as a step toward eventually enabling agents to renew licenses on-line with credit card payment of renewal fees.

It all stems from the "Portal Project" mandated by last year's Legislature to bring e-commerce to state government. It also ties in with TDI's switch to the new "Cosmos" database as a move toward greater national uniformity in agent licensing.

TDI expects to put agent license information on-line in mid-August. Internet users will be able to check license status and other key information about an agent by going to the TexasOnline Web site, [www.texasonline.state.tx.us](http://www.texasonline.state.tx.us), and clicking on "Services." The site also can be accessed through a link from TDI's Web site, [www.tdi.state.tx.us](http://www.tdi.state.tx.us).

Users will be able to search for an agent, solicitor, adjuster, insurance service representative or other individual licensee by name or TDI agent license number. Information also will be available about corporate insurance agencies. Searches can be made when only part of an agency's name or only the last name of an individual agent is known.

One practical use of having this information on-line will be to provide immediate verification of whether a new license has been issued, an existing license renewed or a new appointment recorded. If widely used by agents, adjusters, solicitors and/or their employers, this should reduce the heavy volume of telephone and e-mail traffic to the Agents Licensing Division.

The new service will provide the following information about an agent: name, license number, mailing address, type of license held, active or inactive status, license expiration date and active company appointments. There also will be links to corporate insurance agencies with which an agent is associated.

Corporate agency records on-line will list officers but will not show the position, such as president or secretary, held by each.

On-line information about an agent will be similar, but not identical, to that which TDI employees

can access internally and which modem access customers currently receive. An agent's date of birth, telephone numbers, inactive appointments and reasons why a license is no longer in force will not be available on-line.

TDI will not provide an agent's Social Security number on-line.

### Cosmos Database

The next step in the evolution of on-line access to agent information will be TDI's scheduled transition to the Cosmos database in September. This change will bring the Department into compliance with the NAIC's Producer Identification Number (PIN) and Producer DataBase (PDB) initiatives.

The NAIC initiatives are designed to encourage greater uniformity in state agent licensing practices and record keeping. As of mid-July, seven states already had changed to Cosmos.

Changing to Cosmos will necessitate dropping TDI's present numerical codes for various license types, such as 05-01 for a local recording agent and 01-01 for a legal reserve life/health/HMO license. Instead, the database will spell out the type of license. Most agents will fall under a "General Lines License," with subcategories such as property and casualty and life, accident and health.

The transition to Cosmos will require about two weeks, roughly August 15–September 1. TDI will not process applications, appointments or renewals during that time. Agents who send their renewal applications and fees on a timely basis during that period may continue operating even though their renewals may not have been recorded or their new licenses issued. Once Cosmos is installed, Agent Licensing staff will work overtime to catch up on the two-week backlog that will occur during the conversion.

### On-Line License Renewals

The final step, scheduled for October, will be license renewals on-line through the e-commerce "Portal Project" developed and operated by KPMG under contract with the state.

Agents will be able to enter their license renewal information and pay the required fees by entering

Please see **Cosmos**, page 8

# RuleMaking

## ADMINISTRATION

### APA Proposals

#### Historically Underutilized Businesses

- The Department has proposed new 28 TAC § 1.1601, which would incorporate by reference Texas General Services Commission rules governing contracting with historically underutilized businesses (HUBs). Senate Bill 178 of the 76th Legislature directed state agencies to adopt GSC rules on HUBs as each agency's own rules. The GSC rules are codified as 1 TAC §§ 111.11–111.28.

Publication: 25TexReg6287, June 30, 2000

Earliest possible adoption: July 30, 2000

Further information: 512 463-6327

#### Collection of Delinquent Debts

- TDI has proposed new 28 TAC §§ 1.1701–1.1703 concerning the collection of delinquent obligations owed to the Department. All state agencies are required to report uncollected and delinquent obligations to the attorney general for collection efforts after the agencies' own collection procedures have failed. The proposed new rules would establish TDI's procedures for referral of such obligations to the attorney general for collection.

Under the proposed rule, the Commissioner or his designee would decide whether to refer a delinquent obligation to the attorney general for collection.

TDI would have to decide within 120 days after the failure of its own collection efforts whether to refer a debt to the attorney general. In determining whether to make such a referral, the Department would consider the expense of further collection efforts, the size of the debt, the existence of any security, the possibility of collection or satisfaction of the debt through other means, the likelihood of collection and any other relevant factors.

Before referring a debt to the attorney general for collection, TDI would be required to:

- Verify the debtor's address and telephone number.
- Conclude that the obligation is collectible.
- Send the debtor two demand letters at the debtor's verified address.

TDI would maintain records identifying persons and entities liable for delinquent obligations, along with their correct physical addresses, if available. The records would contain collection histories on each debtor, including attempts to contact the debtor, efforts

to locate the debtor and efforts to locate the debtor's assets, and results of those efforts.

Publication: 25TexReg6288, June 30, 2000

Earliest possible adoption: July 30, 2000

Further information: 512 463-6327

## FINANCIAL

### APA Adoption

#### Relocation of Books and Records

- Commissioner Jose Montemayor has adopted new 28 TAC § 7.25 concerning the relocation of a domestic insurer's principal offices, books and records outside Texas. He also repealed 28 TAC §§ 7.25 and 7.26, the former rules on the subject.

The rule implements House Bill 3304 of the 76th Legislature. The bill amended *Texas Insurance Code* Article 1.28, which requires Texas-domiciled companies to obtain TDI approval before moving their books and records out of state. Among other things, House Bill 3304 made HMOs that are affiliated with other HMOs or health care providers subject to the provisions of Article 1.28.

The new rule establishes an improved procedure for use by TDI in acting on applications of domestic insurers and HMOs to move some or all of their books and records outside the state. Applicants no longer are required to complete a TDI form. Instead, they may submit the required information in the manner they consider most efficient.

The rule applies to "eligible insurers," defined as:

- Domestic insurers that are affiliates of insurance holding company systems;
- HMOs affiliated with other HMOs or health care providers; and
- Nonprofit legal service corporations affiliated with insurance holding company systems.

An eligible insurer wishing to move its records outside the state must file notice of its intent with TDI's Financial Analysis and Examinations Division. The notice must include specific information items, including an analysis of the anticipated benefits to the eligible insurer and a description of the impact of the relocation on policyholders and claimants.

After receiving a completed notice, TDI has 30 days to approve or disapprove a relocation of books and records.

The Commissioner may limit or revoke an insurer's authority to maintain records outside the state if the insurer fails to comply with a request to provide information to examiners. This authority also may be revoked if the Commissioner determines that the insurer's continued operations might be hazardous to policyholders, creditors or the general public.

The new rules allow possession of relocated records by someone other than the eligible insurer if certain requirements are met. The eligible insurer must provide TDI with additional information including the names of officers, directors and principals or principal shareholders of the entity that would possess the documents. That entity's relationship with the eligible insurer must be described, along with control mechanisms to assure effective and efficient reconciliation of the records with those maintained by the eligible insurer.

Eligible insurers are required to have written agreements with entities possessing and maintaining their records. These agreements must include authorization for TDI to examine records regarding the insurers' record maintenance arrangements with those entities.

The rules permit a nonaffiliated entity to maintain an eligible insurer's active files related to policyholder claims, policy administration and related processes. Such nonaffiliated entities must be licensed by TDI to perform the services contemplated by such arrangements. An eligible insurer must audit the nonaffiliated entity at least once every six months to evaluate internal controls and compliance with their agreement.

Publication: 25TexReg6517, July 7, 2000

Effective date: July 11, 2000

Further information: 512 463-6327

## HEALTH CARE

### APA Proposal

#### Pharmacy Identification Cards

- The Department has proposed new 28 TAC §§ 21.3002–21.3005, requiring the issuance of standardized pharmacy identification cards to enrollees in health care plans that provide prescription drug benefits. The proposed rules would implement provisions of Senate Bill 1237 of the 76th Legislature, which amended *Texas Insurance Code* Article 21.07-6 and added new article 21.53L. The objective of the statute and the proposed rules is to help reduce the delays and claim processing costs

# RuleMaking

that resulted from the absence of such a requirement in the past.

When a subscriber has enrolled dependents, a health benefit plan, pharmacy benefit manager or administrator would have the choice of providing either:

- An individual card for each enrollee or
- Two cards to the subscriber for use by the subscriber and all enrolled dependents, with additional cards available upon request.

Each card would be required to show:

- The subscriber's and/or enrolled dependents' names and identification codes.
- If applicable, the name or the logo of the issuer of the health benefit plan.
- If applicable, the name or logo of the administrator or pharmacy benefit manager of the health benefit plan.
- The group number or individual policy number, as applicable.
- The effective date of coverage.
- A telephone number of the appropriate person for purposes of obtaining information about the pharmacy benefits provided under the health benefit plan.
- Copayment or coinsurance amounts for generic and brand-name drugs. If a health plan uses a drug formulary with pharmacy benefit levels besides generic and brand-name, the card would have to show copayment and coinsurance amounts for those other levels.
- As applicable, the International Identification Number, also known as the Banking Identification Number, assigned to the administrator or pharmacy benefit manager by the American National Standards Institute.

A health benefit plan, pharmacy benefit manager or administrator would be allowed to issue cards with magnetic strips or other components enabling the electronic transmission of information, as long as the required information is also printed on the card.

Health benefit plans would not have to issue both a pharmacy card and an enrollee identification card if the enrollee identification card contained the information required of a standard pharmacy identification card.

Health benefit plans required to issue standard pharmacy identification cards would have to do so within 30 days after an enrollee becomes eligible for pharmacy benefits. Ad-

ministrators or pharmacy benefit managers required to issue standard pharmacy identification cards would have to do so within 30 days after receiving notice that an enrollee is eligible for prescription drug benefits.

Previously issued cards that were in effect on September 1, 1999, could be used until coverage under a health benefit plan is modified or new cards are issued, whichever comes first, so long as the old cards contain necessary identifying information, including, but not limited to, the group or policy number, effective date and phone number of a plan contact person.

*Publication: 25TexReg6649, July 14, 2000  
Earliest possible adoption: August 13, 2000  
Further information: 512 463-6327*

## PROPERTY

### Exempt Adoption

#### Optional Credits for Certain Stove-top Fire Suppression Devices

■ Commissioner Jose Montemayor has amended the Texas Personal Lines Manual to allow optional "Category 2" discounts for certain stovetop fire suppression devices. The discount is for devices not intended to extinguish deep fat fires. The Category 2 discounts are 1.5 percent for homeowners, 5 percent for renters and condominium and 7 percent for dwelling policies. Discounts may be given only for devices in use on or after January 1, 2000, and approved by the State Fire Marshal as meeting criteria set out in amended 28 TAC §§ 34.1004, described below.

*Publication: 25TexReg6815, July 14, 2000  
Effective date: August 1, 2000  
Reference number: P-0500-124*

### APA Adoptions

#### Approval Criteria for Certain Stove-top Fire Suppression Devices

■ Commissioner Jose Montemayor has adopted an amendment to 28 TAC § 34.1004 concerning criteria for State Fire Marshal's Office (SFMO) approval of residential stovetop fire suppression devices for a new "Category 2" optional residential and commercial property insurance premium discount.

A device is eligible for a Category 2 discount if it meets these criteria:

- 1) UL 1254 "Standard for Pre-engineered Dry Chemical Extinguishing System Units" or UL 299 "Dry Chemical Fire Extinguishers" and

2) UL Subject 300A "Outline of Investigation for Extinguishing System Units for Residential Range Top Cooking Surfaces," with the following deviations:

- The type and amount of oil in test numbers 1, 5, & 7 of Table 4.1 of UL Subject 300A shall be one-quarter inch of peanut oil in lieu of 1 inch;
- The type and amount of oil in test numbers 2, 8, 11 & 13 of Table 4.1 of UL Subject 300A shall be one-half inch of vegetable oil in lieu of 1 inch;
- Test numbers 3, 4, 9, 10, & 12 of Table 4.1 of UL Subject 300A, shall not be required.

The rule change requires that the following warnings be printed prominently on the installed device, the installation manual and any sales literature or presentations for a device qualifying for the Category 2 discount:

- This device is not intended to extinguish deep fat fires;
- When activated, this device may cause grease fires to splash; and
- If the heat source of an appliance containing a fire is not immediately shut off after discharge of this device, the fire may reignite.

The amendment also adds a requirement for both Category 1 and Category 2 devices that manufacturers require testing laboratories to send the SFMO a certificate of compliance, signed by a registered engineer. The certificate must state that the tested device meets the SFMO's applicable approval criteria and that record copies of the test results will be kept on file and provided to the SFMO upon written request.

*Publication: 25TexReg6725, July 14, 2000  
Effective date: July 20, 2000  
Further information: 512 463-6327*

### Building Code Changes

■ Commissioner Jose Montemayor has adopted amendments to 28 TAC § 5.4008, revising the *Building Code for Windstorm Resistant Construction*. The amendments were recommended by the Building Code Advisory Committee on Specifications and Maintenance. Their purpose is to provide clarifications, editorial changes and additional construction methods and techniques that will make the code easier to apply.

*Publication: 25TexReg6326, June 30, 2000  
Effective date: August 1, 2000  
Further information: 512 463-6327 ★*

## NewsBriefs

### Catastrophe Model Position Clarified

**C**OMPANIES THAT FILE property rates based in part on mathematical catastrophe simulation models may be asked for follow-up information to help TDI staff evaluate the reasonability of the filings, according to a Department bulletin.

The bulletin (B-0037-00) was issued June 9, 2000, by Senior Associate Commissioner C H Mah of the Property and Casualty Program. It replaces a bulletin on catastrophe modeling (B-0015-98) issued in 1998.

Mah observed that the Department has two concerns about catastrophe modeling:

- Catastrophe provisions and, therefore, rates may differ significantly depending on both the model selected and the insurer inputs to the model.
- Because models are proprietary, details of their inner workings have not generally been available.

Mah said nothing prevents a company from including in a rate filing any data, including models, that it considers appropriate to support the filing. However, he said, TDI may request information for use in evaluating the reasonableness of a filing.

This information, Mah said, may include:

- A comparison of catastrophe provisions based on the model with those based on the traditional historical experience data methodology.
- An explanation of the reasons for any difference.
- Information on the model simulations, including, for example, the number of simulated storms by intensity and a description of the company-supplied inputs into the model.

TDI has convened an internal working group to study the use of catastrophe modeling in ratemaking and has retained outside experts in meteorology and engineering to assist in this effort.

Questions about rate filings may be directed to the Property and Casualty Actuarial Unit, 512 475-3017. Questions about the internal working group and its study may be directed to Chief Economist Joe Palermo, 512 305-7194. ★

### Auto Dealer Inventories Eligible for Inland Marine

**P**ROPERTY AND CASUALTY insurers now have the choice of insuring auto dealers' inventories either as motor vehicle insurance or as inland marine insurance.

Marilyn Hamilton, deputy commissioner of the Personal and Commercial Lines Division of the P&C Program, issued a bulletin (B-0038-00) notifying insurers of the change.

Insurers that wish to insure dealers' automobile inventories as inland marine are required to file policy forms, rules and rates with TDI for prior approval. Submissions must be made in accordance with the filing requirements contained in *Property and Casualty Filings Made Easy*, which is accessible at TDI's Web site, [www.tdi.state.tx.us](http://www.tdi.state.tx.us). ★

### Agency Joins Campaign Against Teen Drinking

**TDI** IS ONE OF 44 public and private organizations, including 15 state agencies, that have formed the Alliance Against Underage Drinking.

Commissioner Jose Montemayor signed an agreement pledging TDI's support.

"I am proud to pledge the cooperation of the Texas Department of Insurance in this effort to save the lives of the young people who are the future of our state," Montemayor said. "TDI will do whatever is possible to help the Alliance prevent underage drinking."

The Alliance will serve as a resource for communities, parents, and schools interested in curbing underage drinking. The Alliance plans to launch a Web site, [www.2young2drink.com](http://www.2young2drink.com), in August. It will be linked to TDI's Web site, [www.tdi.state.tx.us](http://www.tdi.state.tx.us). ★

### TDI Restricts Extensions On Info Request Answers

**C**OMMISSIONER JOSE MONTEMAYOR has issued a bulletin notifying licensees that they must justify any requests for extensions of the 10-day deadline for responding to TDI information requests under *Texas Insurance Code* Article 38.001 (formerly Article 1.24).

The bulletin (B-0040-00) was issued June 28, 2000.

Montemayor said TDI will consider granting extensions only when:

- They are requested in writing before the initial 10-day response period expires,
- A request states a specific reason why the 10-day deadline cannot be met, and

- A request indicates the date when TDI can expect a complete response.

"An extension request stating only that additional time is needed to gather the requested information, or merely that a response will be forthcoming, will not be considered responsive to a Section 38.001 inquiry," Montemayor said.

The commissioner said licensees that do not respond on time to TDI requests under Section 38.001 will be referred to the Legal and Compliance Division for possible disciplinary action. ★

### Fraud Unit Prosecutions

#### Convictions

**Lima, Steven Craig**, convicted in Austin of making a false statement in a written instrument; sentenced to 48 months' probation and a \$1,000 fine.

**Montes, Raymundo**, convicted in El Paso of misapplication of fiduciary property and sentenced to a \$500 fine, \$14,565 in restitution and 60 months' probation.

**Nowlin, Jeremy**, convicted in Dallas of securing the execution of a document by deception and sentenced to a \$1,000 fine, 10 years' confinement probated with 45 days' mandatory jail time.

**Duncan, Tony**, convicted in Dallas of securing the execution of a document by deception; sentenced to a \$100 fine and 12 months' probation.

**Cantrell, David**, convicted in Dallas of securing the execution of a document by deception and sentenced to a \$300 fine and 48 months' deferred adjudication.

**Davis, Michael Lee**, convicted in Dallas of securing the execution of a document by deception and five counts of money laundering; sentenced to \$60,000 in fines, \$3,674,859 in restitution and 60 years in prison.

**Edoimioya, Osaretin Emmanuel**, convicted in Dallas of money laundering and sentenced to five years' probation and a \$500 fine.

#### Indictments

**Servin, Isabel**, indicted in San Antonio on charges of theft and securing the execution of a document by deception, both second-degree felonies.

**Servin, Ventura**, indicated in San Antonio on charges of theft and securing the execution of a document by deception, both second-degree felonies. ★

# Company Licensing

## Applications Pending

For admission to do business in Texas

COMPANY NAME	LINE	HOME OFFICE
Alternative Benefit Management Inc.	TPA	Reno, NV
American Equity Specialty Insurance Co.	Fire & Casualty	Costa Mesa, CA
American Specialty Health Networks Inc.	TPA	San Diego, CA
Auto Club Assurance Co.	Fire & Casualty	Los Angeles, CA
Harvey W. Watt & Co. Inc.	TPA	Hapeville, GA
Heritage National Insurance Co. Inc.	Life	Tulsa, OK
Liberty Union Life Assurance Co.	Life	Madison Heights, MI
The Mayflower Insurance Co., Ltd.	Fire & Casualty	Carmel, IN
National-Ben Franklin Insurance Company of Illinois	Fire & Casualty	Chicago, IL
PhyMed Medical Management Corporation	TPA	Anaheim, CA
Pinnacle Risk Management Services Inc.	TPA	Murray, UT
Selectcare of Texas, L.L.C.	Provider Sponsored Organization	Atlanta, GA
Uniprise Inc.	TPA	Wilmington, DE

For incorporation

COMPANY NAME	LINE	HOME OFFICE
City-wide Ob/Gyn Associates, P.A.	TPA	San Antonio, TX
Scott A. Humpal (using the assumed name Of Comp Care)	TPA	Corpus Christi, TX
Methodist Health Insurance Co.	Life	Houston, TX
PCT Operations Inc., (using the assumed Name of Partnercare)	TPA	Lubbock, TX
Progressive Home Underwriters Insurance Co.	Reciprocal	Austin, TX
Texas Association of Builders Employee Benefit Trust	MEWA	Austin, TX
Texas Managed Care Administrative Services Inc.	TPA	Houston, TX
Today's Vision Franchising Corp. (doing business under the assumed name of Today's Vision Network)	TPA	Houston, TX

For name change in Texas

FROM	TO	LINE	LOCATION
Americaid Texas, Inc.	Amerigroup Texas	HMO	Arlington, TX
Amerihealth of Texas, Inc.	Amcare Health Plans of Texas, Inc.	HMO	Houston, TX
American Physicians Life Insurance Co.	Empheysis Insurance Co.	Life	Austin, TX
Liberty Standard Life Insurance Company of Texas	North America Life Insurance Company of Texas	Life	Austin, TX
North West Life Assurance Company of Canada	Industrial Alliance Pacific Life Insurance Co.	Life	Vancouver, BC, Canada
Toyota Motor Life Insurance Co.	Nutmeg Life Insurance Co.	Life	Bettendorf, IA
USF Re Insurance Co.	AXA Re American Insurance Co.	Fire & Casualty	New York, NY

Use the assumed name in Texas

OF	BY	LINE	LOCATION
Harris Methodist Health Plan	PacifiCare of Texas Inc.	HMO	Dallas, TX
Senior Health Plan	PacifiCare of Texas Inc.	HMO	Dallas, TX
Summit Administrative Services	PacifiCare of Texas Inc.	HMO	Dallas, TX
UTMB Healthcare Systems HMO	Family Healthcare Centers Inc.	HMO	Galveston, TX

## Applications Approved

For admission to do business in Texas

COMPANY NAME	LINE	HOME OFFICE
Arcadian Management Services Inc.	TPA	Dover, DE
Antares Management Solutions Inc.	TPA	Westlake, OH
Gates, McDonald & Co.	TPA	Columbus, OH
Insurance Answer Center Inc.	TPA	Wilmington, DE
New York Underwriters Inc.	TPA	Phoenix, AZ
Nova Casualty Co.	Fire & Casualty	Buffalo, NY
Private Healthcare Systems Inc.	TPA	Wilmington, DE

# Company Licensing

## Applications Approved

For admission to do business in Texas

COMPANY NAME	LINE	HOME OFFICE
Rewards Plus of America Insurance Agency Inc.	TPA	Baltimore, MD
Sentinel Insurance Co., Ltd.	Fire & Casualty	Hartford, CT

### For Incorporation

COMPANY	LINE	HOME OFFICE
Millennium Group Employee Benefit Trust	MEWA	Odessa, TX
South Texas Total Eye Care, P.A.	TPA	San Antonio, TX

### For name change in Texas

FROM	TO	LINE	LOCATION
Community Health Electronic Clearinghouse (CHEC), L.L.C.	WebTPA.com Employer Services, L.L.C.	TPA	Grand Prairie, TX
Jefferson Insurance Company of New York	Jefferson Insurance Co.	Fire & Casualty	New York, NY
Princeton Medical Management Resources Inc.	Wellmed Medical Management Inc.	TPA	San Antonio, TX
Ted L. Parker & Associates Inc. dba Parker & Associates	Icon Benefit Administrators, Inc.	TPA	Lubbock, TX

# Disciplinary Actions

Editor's Note: Copies of individual orders may be obtained by calling TDI's Public Information Office, 512 463-6425.

AGENTS & AGENCIES	NAME	CITY	ACTION TAKEN	VIOLATION	ORDER	DATE
	Aguirre, Gustavo Alvaro	Laredo	Group I and Group II Life Agent's Licenses Revoked	Fraudulent or Dishonest Practices	00-0690	6/15/00
	Aleman, Ernest Cardenas	Houston	Agent's License Denied	Felony Conviction; Fraudulent or Dishonest Practices	00-0694	6/15/00
	Bank United	Houston	\$15,000 Fine	Consent Order; Alleged Advertising Violations	00-0734	6/21/00
	Barnard, Toni Lynn	Houston	Probated Suspension of Solicitor's and Group I Agent's Licenses; Restitution of \$11,048	Fraudulent or Dishonest Practices or Acts; Improper Fees; Failure to Register Assumed Names and Locations	00-0615	6/2/00
	Carter, Lee Arthur	Houston	Group I Agent's License Revocation	Felony Conviction; Material Misstatements on License Application	00-0691	6/15/00
	Davenport, Gary Landon	Iowa Park	Group I Agent's License Revoked	Fraudulent and/or Dishonest Practices	00-0668	6/9/00
	Davis, John K.	Beaumont	Group I Agent's License Revoked	Felony Conviction	00-0667	6/9/00
	DeLeon, Donald Ramon	Houston	Compliance Agreement, Including Reporting and Auditing	Use of Unlicensed Persons as Solicitors; Improper Fees; Use of Unregistered Locations and Assumed Names	00-0617	6/2/00
	Farley, Bradley Joseph	San Antonio	Group I License Revoked	Fraudulent or Dishonest Practices	00-0726	6/20/00
	Field, Terry Glenn	Muleshoe	Group I, Group II and Local Recording Agent's Licenses Revoked	Misappropriation or Conversion	00-0731	6/21/00
	Foreman, Donald P.	Humble	Group I, Local Recording Agent's and Prepaid Legal Services Agent's Licenses Revoked	Misappropriation or Conversion	00-0675	6/12/00
	Garcia, Rene R.	Atascosa	Group I Agent's License Revoked	Misappropriation or Conversion	00-0666	6/9/00
	Glen Rose Title Co.	Glen Rose	\$4,000 Fine	Failure to Comply with Escrow Accounting Rules	00-0614	6/2/00
	Hooks, Thomas Wayne	Webster	Group I and Local Recording Agent's Licenses Revoked	Misappropriation or Conversion	00-0693	6/15/00
	Ivey, Otis Wayne	San Antonio	\$750 Fine	Failure to Meet Continuing Education Requirements	00-0718	6/20/00
	Le, Tam Thanh	Balch Springs	Group I, Variable Contract and Temporary Local Recording Agent's Licenses Revoked	Misappropriation or Conversion	00-0697	6/15/00

# Disciplinary Actions

AGENTS & AGENCIES	NAME	CITY	ACTION TAKEN	VIOLATION	ORDER	DATE
	McEvoy, Jonathan Chase	Houston	\$750 Fine	Consent Order; Alleged Failure to Meet Continuing Education Requirements	00-0688	6/15/00
	McLeod, Joann	Mesquite	Group I Agent's License and Solicitor's License Revoked	Misappropriation or Conversion	00-0695	6/15/00
	Murphy, Liliana	San Antonio	\$500 Fine	Material Misstatement on License Applications	00-0636	6/5/00
	Perez, Diana Garcia	Lamesa	Solicitor's License Revoked	Misappropriation or Conversion	00-0616	6/2/00
	Reeves, Russell D.	Wichita Falls	Group I Agent's License Revoked	Fraudulent and/or Dishonest Practices	00-0696	6/15/00
	Roberts, Gregory Monroe	Round Rock	Group I License Revocation	Fraudulent or Dishonest Practices	00-0698	6/15/00
	Rudd, Sir Charles Irvin II	Paris	Agent's License Denied	Material Misstatement on License Application	00-0725	6/20/00
	Silva, Richard	Floresville	County Mutual and Legal Reserve Combination or Industrial Licenses Revoked	Misappropriation or Conversion	00-0673	6/9/00
	Solanas, Marilyn	Austin	Solicitor's License Revoked	Misappropriation or Conversion	00-0730	6/21/00
	Taliaferro, Tracy Renee	Richards	Escrow Officer License Revoked; Restitution of \$244,500.63	Fraudulent or Dishonest Practices or Acts	00-0754	6/28/00
	Texas Gulf Title Inc.	Houston	\$40,000 Fine	Consent Order; Alleged Escrow Account Violations, Use of Incorrect Rates, Failure to Disclose Premium Splits, Use of Unlicensed Personnel and Other Violations	00-0662	6/9/00
	Vicic, Billy Jack	Houston	Probated Suspension of Local Recording Agent's and Surplus Lines Agent's Licenses	Misappropriation or Conversion	00-0665	6/9/00
	Wesley, Garlin Jr.	Garland	Agent's License Denied	Felony Conviction; Material Misstatements on License Application	00-0692	6/15/00
	Whisenant, William	Dallas	Group I Agent's License Revocation	Failure to Meet Continuing Education Requirements	00-0689	6/15/00
HMOS	NAME	CITY	ACTION TAKEN	VIOLATION	ORDER	DATE
	Metrowest Health Plan Inc.	Fort Worth	\$1,500 Fine	Failure to Respond to TDI Inquiry	00-0743	6/23/00
COMPANIES	NAME	CITY	ACTION TAKEN	VIOLATION	ORDER	DATE
	American Casualty Company of Reading, Pennsylvania; Continental Casualty Co.; The Continental Insurance Co.; Transcontinental Insurance Co.; and Transportation Insurance Co.	Chicago	Fines Totaling \$10,400	Consent Order; Alleged Late Filing of Commercial Auto Insurance Experience Rating Data	00-0717	6/20/00
	American Guarantee & Liability Co., Assurance Company of America, Maryland Casualty Co., Zurich Insurance Co., U.S. Branch	Schaumburg, IL	Fines Totaling \$23,250	Failure to Timely File Experience Rating Data	00-0735	6/22/00
	Amerihealth	Philadelphia, PA	\$7,500 Fine	Consent Order; Alleged Claim Payment Violation	00-0752	6/27/00
	Arkwright Insurance Co.	Waltham, MA	\$3,000 Fine	Failure to Respond to TDI Inquiry	00-0733	6/21/00
	Equitable Life Insurance Company of Iowa	Des Moines, IA	\$5,000 Fine	Consent Order; Alleged Rebating Violations and Failure to Establish Proper Reserve Amounts	00-0687	6/15/00
	First Liberty Insurance Corp.	Boston, MA	\$4,375 Fine	Failure to File Workers' Compensation Reports In a Timely Manner	00-0749	6/27/00
	Liberty Mutual Fire Insurance Co.	Boston, MA	\$3,525 Fine	Failure to Timely File Commercial Auto Experience Rating Data	00-0750	6/27/00
	Liberty Mutual Insurance Co.	Boston, MA	\$4,275 Fine	Failure to Timely File Commercial Auto Experience Rating Data	00-0751	6/27/00

# Disciplinary Actions

COMPANIES	NAME	CITY	ACTION TAKEN	VIOLATION	ORDER	DATE
New England Pension and Annuity Co.	Boston, MA		\$2,000 Fine	Failure to Respond to TDI Inquiry	00-0780	6/29/00
Pacific Life & Accident Insurance Co.	Dallas		\$2,000 Fine	Failure to Respond to TDI Inquiry	00-0732	6/21/00
Progressive Casualty Insurance Co.	Mayfield, OH		\$1,500 Fine	Late Filing of Closed Claim Report	00-0663	6/9/00
Progressive County Mutual Insurance Co.	Mayfield Village, OH		\$1,500 Fine	Late Filing of Closed Claim Report	00-0661	6/9/00
USG Annuity & Life Co.	Oklahoma City		\$5,000 Fine	Consent Order; Alleged Rebating Violations and Failure to Establish Proper Reserve Amounts	00-0686	6/15/00
United Healthcare of Texas Inc.	Austin		\$10,000 Fine	Consent Order; Alleged Failure to Maintain Certain Required Documentation on Triennial Examination	00-0720	6/20/00
United Healthcare of Texas Inc.	Dallas		\$17,000 Fine	Consent Order; Alleged Advertising Violations; Failure to Resolve Complaints Within 30 Days; Use of Unlicensed Agents; Other Violations	00-0711	6/19/00
TPAS	NAME	CITY	ACTION TAKEN	VIOLATION	ORDER	DATE
	Access Administrators Inc.	El Paso	\$500 Fine	Failure to Notify TDI of Change in Ownership	00-0685	6/15/00

## Cosmos, from page 1

their credit card numbers. It will be very similar to the process for buying books and other merchandise from on-line vendors. A license renewal transaction will include a printable receipt to verify payment, should that become necessary.

"The majority of on-line renewals will be able to be processed within a single day, eliminating mail and processing time," said Matt Ray, deputy commissioner of the Licensing Group.

An agent also will be able to submit address changes over the Internet. There will be a small "convenience fee" for handling renewals and address changes on-line. ★

## SDRs Selected for Two Receiverships

**C**OMMISSIONER JOSE MONTEMAYOR has appointed special deputy receivers for Unistar Insurance Co. and Bankers Commercial Life Insurance Co., which were placed in court-ordered receivership earlier this year.

Ernest Garza of Resolution Oversight Corp. was appointed SDR for Unistar. Garza's telephone number is 210 493-8602. His mailing address is:

P. O. Box 691852  
San Antonio, TX 78269

Craig Koenig of Prime Tempus in Austin is the SDR for Bankers Commercial.

Koenig's telephone number is 512 892-1300. His mailing address is:

4701 Westgate Blvd.  
Austin, TX 78745

Unistar Insurance Co. acted mainly as a reinsurer for a small amount of nonstandard auto business written by another company and sold through insurance agencies affiliated with Unistar. Other than a very small book of surety bond business, the company did not sell directly to the public.

Bankers Commercial wrote primarily Medicare supplement insurance and had about 23,000 policyholders.

By law, the courts appoint the Commissioner of Insurance as receiver of all Texas insurers placed in receivership. The Commissioner appoints SDRs to carry out the day-to-day work of liquidating failed companies, including marshaling assets, processing claims against the receivership estate and handling any litigation against the insurer. ★



### Texas Department of Insurance

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