No. **2026-10015**

Official Order
of the
Texas Commissioner of Insurance

Date: 07/08/2026

Subject Considered:

American Memorial Life Insurance Company
5910 Mineral Point Rd.
Madison, WI 53705-4456

Consent Order
TDI Enforcement File No. 37172

General remarks and official action taken:

This is a consent order with American Memorial Life Insurance Company (AMLIC). For at least eight years, AMLIC has paid more than $1.2 million in compensation to unappointed, licensed agencies who used licensed and appointed subagents to solicit, negotiate, and procure insurance for AMLIC. AMLIC agrees to pay an administrative penalty of $50,000.

Waiver

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

Findings of Fact

Background

1. AMLIC is a foreign life, accident, or health insurance company holding a certificate of authority to transact business in Texas.

2. Under Texas insurance laws, a licensed agent may not engage in business as an agent unless appointed by an insurer to act as its agent. The insurer is responsible for notifying TDI of that appointment not later than 30 days after the effective date of the appointment, and each notification must be accompanied by a nonrefundable fee.

3. Prior to September 1, 2021, the Texas Insurance Code did not require subagents to be appointed, and defined a subagent, in part, as an agent who acted for or on behalf of another agent, by soliciting, negotiating, or procuring insurance, or collecting premiums, without regard to whether the subagent was designated by the agent as a subagent, or by any other term. The subagent designation was repealed by H.B. 4030 (87th R.S., eff. Sept. 1, 2021).

4. Therefore, after September 1, 2021, insurers have been required to directly appoint all agents, regardless of their designation as a subagent, or any other term.

<u>Failure to Appoint Agents</u>

5. In January 2024, AMLIC notified TDI that it had canceled, for cause, the appointment of Angelica Franco Vera (Franco Vera), individual identification number 2825702, after AMLIC found that Franco Vera allowed an unappointed agent to write policies under her own AMLIC appointment for a commissionable gain.

6. AMLIC notified TDI that after Franco Vera failed to pay back AMLIC her advanced commission debt balance, AMLIC then assigned her debt balance to what AMLIC called her "upline" agent, Senior Select of Georgia (Senior Select).

7. TDI records show that Senior Select, under firm identification number 125302, is a licensed agent in Texas, and although it has active appointments with 33 insurance companies, it has never been appointed by AMLIC.

8. TDI investigated AMLIC's contractual relationship with Senior Select and learned that in December 2018, AMLIC executed an agency appointment agreement with Senior Select, but failed to notify TDI of that appointment and failed to pay the accompanying nonrefundable fee.

9. Under this agreement, AMLIC authorized Senior Select to act as an agent, including authorizing it to:

    a. solicit insurance applications for AMLIC;

    b. receive commissions on policies issued based on applications submitted by Senior Select and its sub-agents;

    c. receive initial premiums on policies solicited by Senior Select or its sub-agents; and

    d. have the sole responsibility for collecting and assuming the obligation for any debit balances owing to AMLIC resulting from the sales of any of the agency's downline subagents or sub-agencies under the agreement.

10. On August 6, 2025, AMLIC represented to TDI that it had previously notified TDI of the appointments of Senior Select's sub-agents, and that these sub-agents solicit, negotiate, and procure insurance applications for AMLIC.

11. AMLIC admitted to TDI that since 2021, it has paid:

    a. approximately $27,570 in compensation to Senior Select for insurance business produced by its subagents, and that after chargebacks, Senior Select received $16,390.20 in commissions; and

    b. $1.2 million in commissions and compensation to at least 13 additional licensed, but unappointed, agencies who employ appointed "sub-agents" to solicit, negotiate, and procure insurance for AMLIC.

12. AMLIC agrees that it will modify its appointment process in Texas to timely notify TDI of the appointment of all agents and agencies it authorizes or contracts with to perform the acts of an agent on its behalf, regardless of the agent's designation as a subagent, an "upline," or any other term.

Mitigating Circumstances

13. AMLIC represents that in March 2024, it terminated all producer relationships with Senior Select and the 13 additional unappointed agencies who employed "subagents,".

14. AMLIC represents that it performed a complete audit of all persons and entities that:

    a. perform in Texas any act of an agent, as that term is defined in TEX. INS. CODE §§ 4001.003(1) and 4001.051;

    b. presently solicit, negotiate, or produce insurance business of any kind or type on AMLIC's behalf in Texas; or

    c. are paid any commissions or compensation for soliciting, negotiating, or producing insurance on AMLIC's behalf in Texas.

15. AMLIC represents that its audit identified 12 other agencies and agents that they had later properly appointed to solicit insurance for AMLIC in Texas.

16. Finally, AMLIC represents that it will no longer pay unappointed agents or agencies, regardless of what AMLIC product they are soliciting, negotiating, writing, or producing.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 801.052, 4001.002, 4001.003, 4001.006, 4001.051, 4001.052, and 4001.201-4001.206; and 28 TEX. ADMIN. CODE §§ 19.801-19.802.

2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056, and TEX. INS. CODE §§ 36.104 and 82.055.

3. AMLIC 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. AMLIC violated Tex. Ins. Code §§ 4001.006(a)(2), 4001.202(b), and 28 Tex. Admin. Code § 19.801(c), by failing to notify TDI that it appointed agents to act on its behalf not later than 30 days after the effective date of that appointment and failing to pay TDI the accompanying nonrefundable fees.

Order

It is ordered that American Memorial Life Insurance Company pay an administrative penalty of $50,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which TDI will send after entry of this order.

Signed by:
Amanda Crawford
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Amanda Crawford
Commissioner of Insurance

Recommended and reviewed by:

Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division

Sarah White, Staff Attorney
Enforcement

2026-10015

Affidavit

STATE OF Wisconsin §
§
COUNTY OF Dane §

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

"My name is Nathan Moenck. 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 Associate General Counsel and am the authorized representative of American Memorial Life Insurance Company. I am duly authorized by said organization to execute this statement.

American Memorial Life 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."

Affiant

SWORN TO AND SUBSCRIBED before me on June 18, 2026

(NOTARY SEAL)

KAREN M. PETERSON NOTARY PUBLIC STATE OF WISCONSIN

Karen M. Peterson
Signature of Notary Public

Karen M. Peterson
Printed Name of Notary Public

My Commission expires 1/25/2028