No. 2026-10016

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

**Date: 07/08/2026**

**Subjects Considered:**

Mercury County Mutual Insurance Company
500 N. Meridian Ave., Ste. 401
Oklahoma City, OK 73107-5755

Mercury Insurance Services LLC
P.O. Box 728866
Oklahoma City, OK 73172-8866

Consent Order
TDI Enforcement File Nos. 37203 and 36801

**General remarks and official action taken:**

This is a consent order with Mercury County Mutual Insurance Company (Mercury County Mutual) and its parent corporation, Mercury Insurance Services LLC (Mercury Insurance Services). The Texas Department of Insurance (TDI) conducted a targeted market conduct examination of Mercury County Mutual's private passenger automobile line of business and found violations of Texas law, including that it authorized and allowed Mercury Insurance Services to act as its managing general agent without licensure or exemption. This order grants the MGA license application submitted by Mercury Insurance Services subject to a two year probated suspension and the reporting requirements detailed in this order. Mercury County Mutual and Mercury Insurance Services agree to jointly and severally pay an administrative penalty of $100,000.

**Waiver**

Mercury County Mutual and Mercury Insurance Services acknowledge that the Texas Insurance Code and other applicable law provide certain rights. Mercury County Mutual and Mercury Insurance Services waive all of these rights, and any other applicable procedural rights, in consideration of the entry of this consent order.

## Findings of Fact

Licensure and Background

1. Mercury County Mutual is a county mutual insurance company holding a certificate of authority to transact business in the state of Texas.

2. Mercury Insurance Services does not hold any insurance licenses, registrations, or other authorizations, to allow it to conduct the business of insurance in Texas and it is not exempt from insurance licensure.

3. Records from the Texas Secretary of State (SOS) and the Texas Comptroller of Public Accounts (Comptroller) show that Mercury Insurance Services is an active foreign registered corporation.

4. Mercury Insurance Services is the parent corporation of Mercury County Mutual.

5. TDI conducted a targeted market conduct examination of Mercury County Mutual on its private passenger automobile lines of business for the period of January 1, 2022, through December 21, 2022.

6. The purpose of the examination was to determine Mercury County Mutual's compliance with the Texas Insurance Code and Title 28 of the Texas Administrative Code relating to sales, advertising, marketing, underwriting and rating, claims practices, and consumer complaints.

7. During the investigation, TDI found violations of the Texas Insurance Code and the Texas Administrative Code by both Mercury County Mutual and Mercury Insurance Services.

Prior Examinations and Disciplinary History

8. On January 4, 2013, the commissioner entered Official Order No. 2164 against Mercury County Mutual for violations found during a 2010 market conduct examination. The order assessed an administrative penalty of $4,000, and restitution for overcharged premiums.

Unauthorized MGA

9. Mercury County Mutual entered into a management agreement with Mercury Insurance Services effective July 1, 2002.

10. The terms of the agreement show that it authorized its parent corporation to act as its managing general agent (MGA) in Texas.

11. Under that agreement, Mercury Insurance Services acted as Mercury County Mutual's MGA during the period of the exam, and it continues to act as its MGA without holding an MGA license in Texas, or being exempt from licensure.

Sales, Advertising, and Marketing

12. TDI reviewed a random sample of 100 policies issued by Mercury County Mutual during the exam period to determine compliance with agents' licensing and appointment requirements in the Insurance Code.

13. In 19% (19 of 100) of the policies reviewed, Mercury County Mutual allowed agents who were not appointed to issue or service policies.

Underwriting and Rating

14. TDI randomly sampled policies Mercury County Mutual issued in 2022 to determine the accuracy of rating, use of proper forms and endorsements, timely handling of transactions and policy service requests, adherence to consistent and nondiscriminatory underwriting practices, mandatory coverages, and compliance with statutes and regulations.

15. In 100% (100 of 100) of the issued policies reviewed, Mercury County Mutual placed the agent's name and telephone number on side B of the Texas Liability Insurance Card, instead of placing it on side A.

16. In 2% (2 of 100) of the issued policies reviewed, Mercury County Mutual delivered or issued policies prior to receiving written rejections for PIP coverage.

<u>Claims</u>

17. TDI conducted stratified sampling to include all policy and coverage types for claims Mercury County Mutual processed in 2022 to determine compliance with policy provisions, timeliness and accuracy of payment, supporting documentation, general claims handling, adjuster licensing, and compliance with the Texas Insurance Code and the Texas Administrative Code.

18. In 5% (5 of 110) of claims paid and in 2% (1 of 50) of claims denied or closed without payment, Mercury County Mutual used unlicensed adjusters.

19. Mercury County Mutual failed to notify the insured in writing of the settlement of a claim against the named insured under a casualty insurance policy issued to the insured, no later than the 30th day after the date of the settlement, in:

    a. less than 1% (1 of 110) of the claims paid; and in

    b. 12% (3 of 25) of the total loss claims payments.

<u>Subsequent Events</u>

20. After the examination, Mercury County Mutual:

    a. appointed 14 of the 19 unappointed agents, and cancelled the remainder;

    b. represented to TDI that it changed the placement of the agent's name and address to be on side A of the Texas Liability Insurance Card; and

    c. licensed the six unlicensed agents.

21. After the examination, Mercury Insurance Services also represented to TDI that it would submit an application for an MGA license, but it could not do so because at that time, TDI records showed that another licensed entity "Mercury Insurance Services, LLC," firm identification number 43673, was licensed under that name.

22. On July 17, 2025, the agency licensed under firm identification number 43673, changed its name to LLRG Solutions, LLC, according to the records of the Texas SOS.

23. On December 18, 2025, the agency licensed under firm identification number 43673, also change its licensed name to LLRG Solutions, LLC, in TDI's records.

24. Mercury County Mutual and Mercury Insurance Services represent that Mercury Insurance Services has only ever provided MGA services to its affiliates, including Mercury County Mutual and other insurers in the Mercury holding company system. Mercury County Mutual and Mercury Insurance Services further represent that Mercury Insurance Services has not provided any MGA services to any unaffiliated third parties in Texas.

MGA License Application

25. On January 30, 2026, Mercury Insurance Services submitted an application, identification number 3724782, to TDI seeking an MGA license with a property and casualty qualification.

26. The application initially contained deficiencies. TDI notified Mercury Insurance Services about those deficiencies, and it later cured those deficiencies. TDI determined the application was complete on April 13, 2026.

27. Mercury Insurance Service's license application is being resolved through this consent order.

## Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 101.001 *et seq.*, 801.051-801.054, 912.002, 912.101-912.152, 4001.002, 4001.004, 4001.051, 4001.101, 4001.106, 4005.101-4005.103, 4053.001 *et seq.*, and 28 TEX. ADMIN. CODE §§ 19.1201 *et seq*.

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. Mercury County Mutual and Mercury Insurance Services 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. Mercury County Mutual and Mercury Insurance Services violated TEX. INS. CODE §§ 101.102(a) and 4053.051 by directly or indirectly engaging in the acts of a managing general agent, as those acts are defined in TEX. INS. CODE §§ 101.051 and 4053.101, without licensure or exemption.

5. Mercury County Mutual violated TEX. INS. CODE § 542.153(b) by failing to notify the insured in writing of settlement of a claim no later than the 30th day after the date a claim against the named insured under a casualty insurance policy issued to the insured was settled.

6. Mercury County Mutual violated TEX. INS. CODE § 1952.152(a) by delivering or issuing policies before receiving written rejections for PIP coverage.

7. Mercury County Mutual violated TEX. INS. CODE § 4001.201 by allowing unappointed agents to issue and service policies.

8. Mercury County Mutual violated TEX. INS. CODE § 4101.051 by allowing unlicensed adjusters to adjust claims.

9. Mercury County Mutual violated 28 TEX. ADMIN. CODE § 5.204(c)(7) by positioning the agent's name and telephone number on incorrect side of the Texas Liability Insurance Card.

10. Mercury Insurance Services committed acts that are grounds to deny an MGA license under TEX. INS. CODE §§ 4005.101-4005.102 and 4053.151.

## Order

It is ordered that an MGA license with a property and casualty qualification is granted to Mercury Insurance Services LLC.

It is further ordered that the MGA license granted to Mercury Insurance Services LLC is suspended for two years, with the suspension being probated, and the terms and conditions stated in this order apply.

If during the probation period imposed by this order, TDI issues any additional licenses or authorizations to Mercury Insurance Services LLC those additional licenses or authorizations will be suspended until the probation period imposed by this order has ended. The suspension will be probated, and the same terms and conditions stated in this order will apply.

Beginning on the date of this order and continuing through the probation period, Mercury Insurance Services LLC must submit a quarterly, written report to TDI.

Each report is due 90, 180, 270, 365, 455, 545, 635, and 730 days after the date of this order, and must include the following information:

a. Mercury Insurance Services LLC's current mailing addresses, business location (physical) addresses, telephone numbers, and email addresses;

b. the name and address of any insurer that enters into an MGA contract, agreement, or other arrangement with Mercury Insurance Services LLC, in which Mercury Insurance Services LLC agrees to act on behalf of the insurer in the State of Texas, and a description of what authority is granted to Mercury Insurance Services LLC in the contract, agreement, or other arrangement; and

c. the name and address of any insurer that terminated its MGA contract, agreement, or arrangement with Mercury Insurance Services LLC to act on behalf of the insurer in the State of Texas, and a description of the reason for that termination.

Mercury Insurance Services LLC must notify TDI immediately of the following:

a. any change to its mailing addresses, business location (physical) addresses, telephone numbers, or email addresses;

b. any state or regulatory actions taken against it, including formal and informal actions;

c. any state or regulatory actions, including formal and informal actions, taken against any of its individual members, managers, controlling persons, or other persons holding 10% of more of the voting stock or voting rights in Mercury Insurance Services LLC;

d. any criminal charges or indictments filed (excluding traffic offenses and Class C misdemeanors) against Mercury Insurance Services LLC individual members, managers, controlling persons, or other persons holding 10% or more of the voting stock or voting rights in Mercury Insurance Services LLC; and

e. any written or electronic complaint made against Mercury Insurance Services LLC concerning its conduct as an MGA. Mercury Insurance Services LLC must provide TDI with a copy of that complaint, any documents related to or responsive to the complaint, and a written explanation detailing the steps taken to resolve the complaint.

Mercury Insurance Services LLC must send all information required to be submitted to TDI under the terms of this order, by email to: EnforcementReports@tdi.texas.gov

It is further ordered that Mercury County Mutual Insurance Company and Mercury Insurance Services LLC jointly and severally pay an administrative penalty of $100,000 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
FE10434BC41A470...

Amanda Crawford
Commissioner of Insurance

Recommended and reviewed by:

Leah Gillum

Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division

Sarah White

Sarah White, Staff Attorney
Enforcement

## Affidavit

**STATE OF** CALIFORNIA **§**
**§**
**COUNTY OF** LOS ANGELES **§**

Before me, the undersigned authority, personally appeared Joseph B. Miller, who being by me duly sworn, deposed as follows:

"My name is Joseph B. Miller. 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 Asst. Secretary & General Counsel and am the authorized representative of Mercury County Mutual Insurance Company. I am duly authorized by said organization to execute this statement.

Mercury County Mutual 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

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

SWORN TO AND SUBSCRIBED before me on JUN 2 3 2026, 202__.

(NOTARY SEAL)

SHABBIR AZAM
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2485311
LOS ANGELES COUNTY
My Comm. Exp. April 21, 2028

Signature of Notary Public

Shabbir Azam Notary Public

Printed Name of Notary Public

## Affidavit

**STATE OF** CALIFORNIA §
§
**COUNTY OF** LOS ANGELES §

Before me, the undersigned authority, personally appeared Joseph B. Miller, who being by me duly sworn, deposed as follows:

"My name is Joseph B. Miller. 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 Asst. Secretary & General Counsel and am the authorized representative of Mercury Insurance Services LLC. I am duly authorized by said organization to execute this statement.

Mercury Insurance Services 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."

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

Affiant

SWORN TO AND SUBSCRIBED before me on JUN 23 2026, 202__.

(NOTARY SEAL)

SHABBIR AZAM
NOTARY PUBLIC - CALIFORNIA
COMMISSION # 2485311
LOS ANGELES COUNTY
My Comm. Exp. April 21, 2028

Signature of Notary Public

Shabbir Azam Notary Public

Printed Name of Notary Public