No. **2026-10046**

Official Order
of the
Texas Commissioner of Insurance

Date: 07/29/2026

Subject Considered:

Knightbrook Insurance Company
4751 Wilshire Blvd, Ste 111
Los Angeles, California 90010

Consent Order
TDI Enforcement File No. 36404

General remarks and official action taken:

This is a consent order with Knightbrook Insurance Company (Knightbrook) for violations discovered during its market conduct examination. Knightbrook has agreed to pay a $75,000 administrative penalty.

Waiver

Knightbrook acknowledges that the Texas Insurance Code and other applicable law provide certain rights. Knightbrook waives 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. Knightbrook is a fire and casualty insurance company holding a certificate of authority to transact business in Texas, issued by the Texas Department of Insurance on December 15, 1953.

2. This market conduct examination covers activity between January 1, 2022, and December 31, 2022, on Knightbrook’s private passenger automobile line of business.

3. Effective November 1, 2017, Knight Management Insurance Services, LLC entered into a general agency agreement with Bridger Insurance Services (Bridger). In the agreement, Bridger was allowed to produce and manage certain lines of insurance business, which included Knightbrook.

4. Bridger was licensed and appointed to act as a managing general agent (MGA) for Knightbrook. Bridger processed new business applications, policy renewals, policy cancellations, changes to policies by way of endorsements, and collected premiums. While Knightbrook did not have an MGA agreement with Bridger, it maintains there was a general agency agreement in effect at the time.

5. Knightbrook failed to conduct semi-annual audits of Bridger. In fact, Knightbrook failed to ever conduct an audit of Bridger.

Agents’ Licensing and Appointments

6. The department reviewed a sample of 100 policies to determine compliance with agent licensing and appointment requirements.

7. In 44% (44 of 100) of the policies reviewed, Knightbrook used 29 agents and eight agencies that were not appointed to issue or service policies.

8. In 1% (1 of 100) of the policies reviewed, Knightbrook used an agent who was not licensed in Texas as a general property and casualty agent or a personal lines property and casualty agent.

Policy Forms and Filings

9. The department reviewed a sample of 100 policies to determine compliance with statutes and regulations.

10. In 100% (100 of 100) of the policies reviewed, Knightbrook failed to insert the Notice of Toll-Free Telephone Numbers and Information and Complaint Procedures as the first, second, or third page of the set of documents.

Issued Policies

11. The department reviewed a sample of 100 issued policies.

12. In 1% (1 of 100) of the policies reviewed, Knightbrook delivered or issued the policy prior to receiving the written rejection for uninsured or underinsured motorist coverage.

13. In 2% (2 of 100) of the policies reviewed, Knightbrook delivered or issued the policy prior to receiving the written rejection or was unable to provide evidence of the written rejection for personal injury protection.

Claim Payments

14. The department reviewed a sample of 110 claims related to payments.

15. In 49% (54 of 110) of the claims reviewed, Knightbrook failed to notify, in writing to the insured, of an initial offer to settle a claim against the insured.

16. In 24% (26 of 110) of the claims reviewed, Knightbrook failed to notify, in writing to the insured, of a claim settlement against the insured.

17. In 2% (2 of 110) of the claims reviewed, Knightbrook failed to provide timely to the claimant, the required Notice of Rights Regarding Repair of Motor Vehicle.

Total Loss Claim Payments

18. The department reviewed a sample of 25 total loss claim payments to determine compliance.

19. In 8% (2 of 25) of the claims reviewed, Knightbrook failed to pay the claim within five business days, instead paying the claim between 10 and 15 business days late.

20. In 8% (2 of 25) of the claims reviewed, Knightbrook failed to pay additional interest owed on a late claim payment.

21. In 28% (7 of 25) of the claims reviewed, Knightbrook failed to notify, in writing to the insured, of an initial offer to settle a claim against the insured.

22. In 24% (6 of 25) of the claims reviewed, Knightbrook failed to notify, in writing to the insured, of a claim settlement against the insured.

23. In 4% (1 of 25) of the claims reviewed, Knightbrook failed to provide timely to the claimant, the required Notice of Rights Regarding Repair of Motor Vehicle.

Complaints

24. The department reviewed a sample of 13 complaints.

25. In 15% (2 of 13) of the complaints reviewed, Knightbrook failed to timely respond to the department's inquiry regarding a complaint.

26. Knightbrook failed to maintain a complaint record in accordance with department rules. In fact, Knightbrook failed to maintain any record of complaints.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 542.055, 542.153, 559.151, 801.051-801.053, 861.101, 862.051, 912.002, 912.101, 1952.101, 1952.152, and 4001.201; and 28 TEX. ADMIN CODE §§ 1.601 and 5.9352.

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. Respondent 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. Knightbrook violated 28 TEX. ADMIN. CODE § 1.601(a)(2)(A) by failing to insert the Notice of Toll-Free Telephone Numbers and Information and Complaint Procedures as the first, second, or third page of the set of policy creation documents.

5. Knightbrook violated 28 TEX. ADMIN. CODE § 19.1204(b)(19)(A) by failing to conduct semi-annual audits of its nonaffiliated managing general agent.

6. Knightbrook violated 28 TEX. ADMIN. CODE §§ 21.2504 and 21.2505 by failing to maintain a complaint record in accordance with department rules.

7. Knightbrook violated TEX. INS. CODE § 38.001 by failing to respond to the department's inquiry in writing no later than the 15th day after the date the inquiry was received.

8. Knightbrook violated TEX. INS. CODE § 542.057(a) by failing to pay a claim not later than the fifth business day after the date notice was made.

9. Knightbrook violated TEX. INS. CODE § 542.058 by delaying payment of a claim after receiving all items, statements, and forms reasonably requested or required.

10. Knightbrook violated TEX. INS. CODE § 542.060 by failing to pay interest owed for late payment of a claim.

11. Knightbrook violated TEX. INS. CODE § 542.153(a) by failing to notify the insured in writing of an initial offer to settle a claim not later than the 10th day after the date an initial offer was made.

12. Knightbrook violated TEX. INS. CODE § 542.153(b) by failing to notify the insured in writing of a claim settlement not later than the 30th day after the date a claim is settled against a named insured.

13. Knightbrook violated TEX. INS. CODE § 1952.101 by delivering or issuing for delivery a policy covering liability arising out of the ownership, maintenance, or use of any motor vehicle prior to receiving written rejections for uninsured or underinsured motorist coverage.

14. Knightbrook violated TEX. INS. CODE § 1952.152 by delivering or issuing for delivery an automobile liability insurance policy that covers liability arising out of the ownership, maintenance, or use of any motor vehicle prior to receiving written rejections for personal injury protection coverage or by failing to produce evidence of the written rejections.

15. Knightbrook violated TEX. INS. CODE § 1952.305 and 28 TEX. ADMIN. CODE § 5.501(d) by failing to provide the insured with the written Notice of Rights Regarding Repair of Motor Vehicle.

16. Knightbrook violated TEX. INS. CODE § 4001.201 by using agents or agencies to issue or service policies that have not been appointed to act as an agent or agency for Knightbrook.

17. Knightbrook violated TEX. INS. CODE § 4051.051 by using an individual to issue or service policies that had not obtained a general lines agent license with a property and casualty qualification or a personal lines property and casualty agent license.

18. Knightbrook violated TEX. INS. CODE § 4053.102 by accepting business from a managing general agent or agency without the required written contract.

Order

It is ordered that Knightbrook Insurance Company pay an administrative penalty of $75,000 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.

It is further ordered that Knightbrook Insurance Company report to the department on or before 30 days from the date of this order. The report will affirm that Knightbrook has fully implemented its post-exam corrective action plan and paid all outstanding claims, penalties, and interest for the time period covered by this exam. If Knightbrook has not yet fully implemented its post-exam corrective action plan, or has not paid all outstanding claims, penalties, and interest for the time period covered by this exam, the report will detail how the company intends to fully implement its plan, resources dedicated to implementation, timelines, and a process for independent verification of objective progress to comply with Texas law. Knightbrook must send the report to EnforcementReports@tdi.texas.gov.

Signed by:
Amanda Crawford
FE10434BC41A470...

Amanda Crawford
Commissioner of Insurance

Recommended and reviewed by:

Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division

Stephanie Andrews, Staff Attorney
Enforcement

Affidavit

STATE OF California **§**
§
COUNTY OF Los Angeles **§**

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

"My name is Mike Pepitone. 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 Senior Head of Underwriting and am the authorized representative of Knightbrook Insurance Company. I am duly authorized by said organization to execute this statement.

Knightbrook 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."

Mike Pepitone

Affiant

SWORN TO AND SUBSCRIBED before me on 7-16, 2026.

(NOTARY SEAL)

Signature of Notary Public

Printed Name of Notary Public

See attached CA Jurat

2026-10046

CALIFORNIA JURAT GOVERNMENT CODE § 8202

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.

State of California

County of Los Angeles

Subscribed and sworn to (or affirmed) before me on

this 16th day of July, 20 26, by
Date *Month* *Year*

(1) Mike Pepitone

(and (2) ____________________),
Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

EVANGELINA CALDERON
Notary Public - California
Los Angeles County
Commission # 2534455
My Comm. Expires Nov 2, 2029

Place Notary Seal and/or Stamp Above

Signature ____________________
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: ____________________

Document Date: ____________________ Number of Pages: ____________________

Signer(s) Other Than Named Above: ____________________