No. 2026-9953

Official Order
of the
Texas Commissioner of Insurance

Date: 06/02/2026

Subject Considered:

Millennial Specialty Insurance LLC
842 Hampton Crossing Way
St. Augustine, FL 32092

Consent Order
TDI Enforcement File No. 30160

General remarks and official action taken:

This is a consent order with Millennial Specialty Insurance LLC (Millennial). While conducting testing in a non-production environment, Millennial withdrew funds from more than 3,300 Texas policyholders' bank accounts without their consent or authorization. Millennial also failed to register an assumed name and failed to pay premium taxes to Texas for some surplus lines policies within an acquired book of business. Millennial agrees to: make complete restitution to the affected policyholders; pay any outstanding surplus lines premium taxes due to Texas; and, pay an administrative penalty of $135,000.

Waiver

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

Findings of Fact

<u>Licensure</u>

1. Millennial, firm identification number 106179, is a Florida-domiciled insurance agency, holding several non-resident licenses issued by TDI, specifically:

    a. a personal lines property and casualty license issued on March 17, 2015;
    b. a surplus lines license issued on December 3, 2019;
    c. a general lines license with a property and casualty qualification issued on December 3, 2019; and,
    d. a managing general agency (MGA) license issued on March 26, 2021.

<u>Unauthorized Withdrawals from Policyholders' Accounts</u>

2. In late December 2023 and early January 2024, TDI received several complaints that Millennial had withdrawn money from Texas policyholders' bank accounts without their consent or authorization.

3. TDI investigated and found that between December 21-27, 2023, Millennial withdrew funds belonging to approximately 3,322 Texas policyholders, without their consent or authorization.

4. The affected policyholders had purchased renters and homeowners insurance from Millennial in its capacity as an MGA on behalf of several insurers. However, these withdrawals were not for the payment of policy premiums, taxes, finance charges, policy fees, agent fees, service fees, inspection fees, or membership dues.

5. In most instances, Millennial withdrew the same amounts from the policyholders' accounts three or four times within the same day.

6. Millennial represents it unintentionally withdrew those funds as the result of a software test in a non-production environment that inadvertently included active, automated clearing house (ACH) payment tokens.

7. Millennial represents it learned of the withdrawals on December 26, 2023, and deactivated the ACH tokens the following day, December 27, 2023.

8. Millennial represents that on December 28, 2023, it notified its policyholders that all withdrawn funds would be returned without further action by the policyholders.

<u>Subsequent Events Regarding the Unauthorized Withdrawals</u>

9. Some policyholders canceled their policies with Millennial after the unauthorized withdrawals.

10. Other policyholders disputed Millennial's unauthorized withdrawals with their individual banks. After disputing these charges, some banks blocked Millennial from making future withdrawals from these policyholders' accounts. Those blockages then prevented Millennial from making legitimate premium withdrawals that these disputing policyholders had previously consented to on a regular basis.

11. When Millennial was later unable to withdraw premiums from those disputing policyholders' accounts, Millennial placed those policyholders into pending cancellation status.

12. Millennial represents that on February 15, 2024, it notified all of its policyholders by email that: their policies may go into pending cancellation status; future payments may be blocked; and instructed policyholders to either contact their financial institutions or to contact Millennial to provide a new form of payment.

13. Millennial represents that for some policyholders, the issuance of refunds took up to nine days, in part because it had to coordinate with policyholders and their financial institutions.

14. Because of insufficient funds in some policyholders' accounts, some policyholders incurred bank fees for the overdrafts together with other fees, instead of having a loss of the full amount that was attempted to have been withdrawn. Millennial represents that it has reimbursed all policyholders who have identified and documented such charges.

15. On March 6, 2024, Millennial represented to TDI that it had:

    a. refunded approximately $574,580 to at least 2,855 policyholders;

    b. reimbursed 128 policyholders at that time in the amount of $12,645.90 in bank fees, overdraft fees, and expenses incurred by policyholders who had insufficient funds in their bank accounts when Millennial attempted to withdraw funds without consent or authorization;

c. not been contacted for over a year by any policyholder whose account(s) were subject to an unintentional withdraw; and,

d. continued to refund bank fees, overdraft fees, and any other related expenses incurred and documented by the affected policyholders.

<u>Failure to Register Assumed Names with TDI</u>

16. Between 2015 and August 2025, Millennial registered the following assumed names with TDI: Millennial Specialty Ins LLC, Arcana Insurance Services, Alpharoot, Founder Shield, Reshield, and Scale Underwriting.

17. In October 2021, Millennial acquired certain assets of American Union Risk Associates LLC, including its website.

18. TDI records show under firm identification number 17922, American Union Risk Associates LLC held a surplus lines agency license from February 18, 2014, until it canceled on September 19, 2014. It also held a general lines agency license with a property and casualty qualification from December 13, 2002, until it expired on December 13, 2004, and again from August 24, 2005, until it again expired on August 24, 2023.

19. For at least four years, Millennial operated and failed to revise the website after the acquisition and continued to solicit property and casualty insurance to Texas residents as American Union Risk Associates LLC, even after its license expired in 2023.

20. In October 2025, Millennial registered the assumed name "American Union Risk Associates" with TDI. In November 2025, Millennial revised and updated the website to identify American Union Risk Associates as an assumed name of Millennial.

21. In September 2024, Millennial rebranded and began using, operating, advertising and soliciting insurance under the assumed name "MSI."

22. In July 2025, Millennial registered the assumed name "MSI," with TDI effective September 9, 2025.

23. For about ten months, Millennial failed to register "MSI" as an assumed name with TDI.

Failure to Pay Premium Tax

24. Millennial is the surplus lines agent for a surplus lines policy that is in force and underwritten by a domestic surplus lines insurer, Spinnaker Specialty Insurance Company (Spinnaker), and which was issued to Steadily Insurance Agency, Inc. (Steadily), firm identification number 172774, effective September 1, 2022.

25. Millennial represents that it purchased a book of business from Arcana Insurance Services, LP (Arcana), firm identification number 30575, sometime before Arcana voluntarily surrendered its Texas licenses effective December 29, 2021.

26. The book of business Millennial acquired included the surplus lines policy Spinnaker issued to Steadily.

27. Millennial represents that the records it acquired from Arcana designated the incorrect home state to which surplus lines premium taxes were owed on the Steadily policy issued by Spinnaker. Specifically, Millennial represents that the records showed surplus lines premium taxes for the Steadily policy were paid to the state of Delaware and not Texas.

28. For more than two years, Millennial failed to pay any surplus lines premium taxes to the state of Texas for the surplus lines insurance policy Spinnaker issued to Steadily, whose home state is actually Texas.

Subsequent Events

29. Millennial represents that it has corrected the process by which it determines the home state of the insured under TEX. INS. CODE § 981.002(5).

30. Millennial represents that it conducted an audit of all surplus lines insurance policies within the book of business it acquired from Arcana, that were issued or renewed between January 1, 2022, and April 14, 2026, to determine if the home

state of the insured had been incorrectly designated as another state, when it should have been designated as Texas.

31. From that audit, Millennial represents it found and gave TDI a complete listing of 10 master policies in which the home state of the insured was incorrectly designated, but should have been designated as Texas (the Taxable Policies) for which surplus lines premium taxes are due and owing to the state of Texas.

32. Millennial represents that under those 10 policies:

    a. a total of 28,068 certificates were issued to additional insureds between 2022 and 2025, which it agrees to file, together with the corresponding policies and all other required surplus lines documents, with the Surplus Lines Stamping Office of Texas; and,

    b. approximately $1,200,000 in surplus lines premium taxes is due and owing to the state of Texas.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 981.001 *et seq*., 4001.002, 4005.101, 4005.102, 4051.051, 4051.401, 4053.051, 4053.106, 4053.151, and 4056.052.

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. Millennial 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. Millennial violated TEX. INS. CODE §§ 550.001-550.002 and 4005.003 by collecting and charging, in connection with insurance policies, payments and amounts that were not premiums, taxes, finance charges, policy fees, agent fees, service fees, inspection fees, or membership dues.

5. Millennial violated Tex. Ins. Code § 981.075(a) by failing to pay surplus lines premium taxes to the state of Texas.

6. Millennial violated 28 Tex. Admin. Code § 19.902(a) by failing to register two assumed names with TDI.

7. Pursuant to Tex. Ins. Code § 82.053, the commissioner is authorized to direct Millennial to make complete restitution to each Texas resident or insured that was impacted by the violations.

Order

Millennial Specialty Insurance LLC is ordered to comply with the following compliance plan:

Continue to Pay Restitution to Affected Policyholders

1. Not later than 30 days from the date of this order, Millennial must identify all Texas policyholders from whom Millennial withdrew, or attempted to withdraw, any account funds in December 2023, without those policyholders' knowledge, consent, or authorization (the Affected Policyholders).

2. For each Affected Policyholder identified, Millennial must calculate:

   a. the total amount withdrawn from the Affected Policyholders' accounts; and
   b. the total amount the Affected Policyholder incurred in bank fees, overdraft fees, or any other fees or expenses related to any attempt(s) to withdraw funds based on supporting documentation provided by the Affected Policyholder.

3. Millennial must pay the above calculated amounts as restitution in the form of a company check or account credit to each Affected Policyholder. If Millennial failed to pay any Affected Policyholder prior to March 6, 2024, the restitution paid to each such Affected Policyholder must include simple interest at the rate of 5% per annum.

4. Millennial must mail the restitution and interest checks or issue the account credits to the Affected Policyholders on or before 60 days from the date of this order.

5. Any restitution or interest checks that are returned to Millennial with an address correction must be promptly mailed to the correct address. Funds from any restitution or interest checks that are returned thereafter for incorrect addresses and from checks that are not negotiated must be reported and delivered to the 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*.

6. Not later than 180 days from the date of this order, Millennial must report all interest and restitution paid to the Affected Policyholders by submitting a complete and sortable, electronic spreadsheet to TDI. The spreadsheet must contain the following information:

   a. Affected Policyholder's full name;
   b. Affected Policyholder's mailing address;
   c. date(s) of the withdrawal(s) from the Affected Policyholder's account;
   d. date(s) of the attempted withdrawal(s) from the Affected Policyholder's account;
   e. total amount withdrawn;
   f. total amount of all bank fees, overdraft fees, or other fees or expenses incurred and documented by the Affected Policyholder related to all attempted withdrawal(s);
   g. total amount of simple interest, if applicable;
   h. date of mailing of restitution check or issuance of credit; and
   i. the totals, specifically:
      i. a subtotal of payments to all Affected Policyholders related to withdrawn funds;
      ii. a subtotal of payments to all Affected Policyholders related to incurred bank fees, overdraft fees, or other documented fees or expenses;
      iii. a subtotal of all simple interest paid to all Affected Policyholders; and,
      iv. the grand total of all restitution paid.

Pay Surplus Lines Premium Taxes

7. Not later than 30 days after the date of this order, Millennial must file the Taxable Policies as required by TEX. INS. CODE § 981.105, with the Surplus Lines Stamping Office of Texas, and send TDI documentation to confirm that it has made all of those filings.

8. Not later than 90 days after the date of this order, Millennial must also send TDI proof of payment of all surplus lines premium taxes due and owing on the Taxable Policies to the state of Texas.

9. All submissions required under the terms of this order must be sent electronically to: EnforcementReports@tdi.texas.gov.

It is further ordered that Millennial Specialty Insurance LLC pay an administrative penalty of $135,000 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.

Signed by:
Amanda Crawford
FE10434BC41A470...

Amanda Crawford
Commissioner of Insurance

Recommended and reviewed by:

Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division

Anna Kalapach, Staff Attorney
Enforcement

Affidavit

STATE OF Florida §
§
COUNTY OF Hillsborough §

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

"My name is Seth Cohen. 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 General Counsel and am an authorized representative of Millennial Specialty Insurance LLC. I am duly authorized by said organization to execute this statement.

Millennial Specialty Insurance 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."

Seth Cohen

Affiant

SWORN TO AND SUBSCRIBED before me on May 18, 2026.

(NOTARY SEAL)

NOTARY PUBLIC STATE OF FLORIDA
Jennifer R Wilkins
COMMISSION # HH 720212
MY COMMISSION EXPIRES
01.05.2030

Jennifer R Wilkins

Signature of Notary Public

Jennifer Wilkins

Printed Name of Notary Public