

No. 11-0278

**OFFICIAL ORDER**  
*of the*  
**COMMISSIONER OF INSURANCE**  
*of the*  
**STATE OF TEXAS**  
**AUSTIN, TEXAS**

Date: MAR 31 2011

**Subject Considered:**

TRAFFICARE INTERNATIONAL, LLC  
4221 S. Walton Walker Blvd.  
Dallas, Texas 75236

TROY SIMPSON  
1100 Rio Verde Dr.  
Desoto, Texas 75115

**CONSENT ORDER**  
**DISCIPLINARY ACTION**  
SOAH DOCKET NUMBER 454-10-5402.D  
ENFORCEMENT FILE NUMBER 54289

**General remarks and official action taken:**

On this date came on for consideration by the Commissioner of Insurance, the Texas Department of Insurance's ("Department"/"TDI") complaint against TrafficCare International, LLC ("TrafficCare") and Troy Simpson ("Simpson"). The Department alleges that TrafficCare and Simpson violated the insurance laws of the State of Texas and that such conduct constitutes grounds for disciplinary action pursuant to TEX. INS. CODE ANN. §§ 82.051 – 82.055, 84.021 – 84.044 and ch. 101.

The parties, by their respective signatures hereto, announce that they have compromised and settled all claims and agree, pursuant to TEX. INS. CODE ANN. § 82.055, to the entry of this Consent Order. The parties request the Commissioner of Insurance to informally dispose of this case pursuant to the provisions of TEX. GOV'T CODE ANN. § 2001.056, TEX. INS. CODE ANN. § 82.055 and 28 TEX. ADMIN. CODE § 1.47.

**JURISDICTION**

The Commissioner of Insurance has jurisdiction over this matter pursuant to TEX. INS. CODE ANN. §§ 82.001 *et seq.*, 84.001 *et seq.*, ch 101, 4001.051, 4001.053, 4001.101, 4001.106, and 4001.201 and TEX. GOV'T CODE ANN. §§ 2001.051-2001.178.

## WAIVER

TrafficCare and Simpson acknowledge the existence of certain rights provided by the Texas Insurance Code and other applicable law, including the right to a notice of intention to institute disciplinary action, a notice of hearing, a public hearing, a proposal for decision, rehearing by the Commissioner of Insurance and judicial review. TrafficCare and Simpson waive all of these rights, as well as any other procedural rights that might otherwise apply, in consideration of the entry of this Consent Order.

## FINDINGS OF FACT

The Commissioner of Insurance makes the following Findings of Fact:

1. TrafficCare was incorporated in Texas as a limited liability company on June 26, 2008.
2. The managing member and registered agent of TrafficCare is Simpson.
3. The most current address for TrafficCare known to TDI is 1100 Rio Verde Dr. Desoto, Texas 75115.
4. The address for TrafficCare registered with the Texas Secretary of State is 1100 Rio Verde Dr., Desoto, Texas 75115-7200
5. Neither TrafficCare nor Simpson holds a license, certificate, or authorization to do the business of insurance in Texas to act as an insurer or agent and have not filed any notice with the Commissioner of any claim for exemption from TEX. INS. CODE ANN. § 101.102 with documents supporting such claim prior to commencing operations, as required by TEX. INS. CODE ANN. § 101.004.
6. The unlicensed and unauthorized conduct of TrafficCare and Simpson constitutes an unfair act and is fraudulent, illegal, hazardous or creates an immediate danger to the public safety; and is causing or can be reasonably expected to cause public injury. TrafficCare and Simpson's conduct, described in Finding of Facts Nos 7-15, violates TEX. INS. CODE ANN. §§ 101.051-101.102 and 4001.051-4001.101.
7. For the payment of a fee, TrafficCare purports to cover members "for all hazardous moving violations anywhere in the United States."
8. This coverage is for actual payment of the fine incurred as a result of a hazardous citation (i.e., a moving violation traffic ticket), the cost of a defensive drivers course taken in lieu of paying a fine, deferred adjudication fees associated with a traffic ticket and any increase in automobile insurance premiums incurred as a result of receiving a traffic citation.

9. If the member decides to contest a traffic citation in court, TrafficCare will pay \$100.00 towards any attorney fees incurred.
10. TrafficCare excludes coverage for traffic citations for regulatory tickets (no insurance, registration, etc.), driving while intoxicated, citations for reckless driving, or traffic accident coverage.
11. TrafficCare began offering its product to the public in 2008.
12. In addition to offering coverage to individuals, TrafficCare offers a Commercial Program in which the member can choose to cover a specific vehicle or fleet of vehicles.
13. TrafficCare's website indirectly compares its product to insurance in its "How it Works" section:  
"You have Home Owners insurance, just in case,  
You have Life Insurance, just in case  
Now you can have TrafficCare provide that same peace of mind every time you get in your car"
14. TrafficCare has accepted premiums for its products from persons in Texas.
15. TrafficCare and Simpson have engaged in the unauthorized business of insurance in Texas by soliciting, selling, executing, issuing, and writing insurance policies in the State of Texas.
16. Pursuant to TEX. INS. CODE ANN. § 82.055, TrafficCare and Simpson agree to this consent order with the express reservation that they do not admit a violation, and asserts that the existence of a violation is in dispute.
17. TrafficCare and Simpson, their agents, employees, or other representatives agree to cease and desist immediately and in perpetuity from:
  - a. Taking any actions concerning funds which have been collected, received or derived in the course of the unauthorized business of insurance in Texas or commingled with such funds, except as directed by the Texas Department of Insurance;
  - b. Permitting any third party to take any actions concerning funds which have been directly or indirectly collected, received or derived from Texas residents, or which have been commingled with funds collected, received, or derived from Texas residents, and which are contained in any account on which Respondents or any of its officers or employees have signature authority in Respondents' name, except as directed by the Texas Department of Insurance;

- c. The making of or proposing to make, as an insurer or surety, an insurance or surety contract without having first obtained a certificate of authority from the Texas Department of Insurance to conduct business as an insurer or surety;
- d. The taking or receiving of any application for insurance or surety contract;
- e. The receiving or collection of any premium, commission, membership fees, assessments, dues or other consideration for any insurance or surety contract or any part thereof, without first complying fully with the statutes and regulations of the State of Texas and the Texas Department of Insurance;
- f. The issuance or delivery of contracts of insurance or surety contract to residents of this State or to persons authorized to do business in this State, without first complying fully with the statutes and regulations of the State of Texas and the Texas Department of Insurance;
- g. Directly or indirectly acting as an agent for or otherwise representing or aiding on behalf of any person or insurer in the solicitation, negotiation, procurement or effectuation of insurance or surety contracts or renewals thereof or in the dissemination of information as to coverage or rates, or forwarding of applications, or delivery of policies or contracts, or in any other manner representing or assisting a person or insurer in the transaction of insurance with respect to subjects of insurance, located or to be performed in this State, without first complying fully with the statutes and regulations of the State of Texas and the Texas Department of Insurance;
- h. Making, publishing, disseminating, circulating or placing before the public, or causing, directly or indirectly, to be made, published, disseminated, circulated, or placed before the public, in a newspaper, magazine or other publication, or in the form of a notice, circular, pamphlet, letter or poster, or over any radio or television station, or in any other way, an advertisement, announcement or statement containing any assertion, representation or statement with respect to the business of insurance or surety or with respect to any person in the conduct of his insurance or surety business, which is untrue, deceptive, or misleading;
- i. The doing or proposing to do any insurance business in substance equivalent to any of the acts defined in TEX. INS. CODE ANN. § 101.051 as doing an insurance business, without first complying fully with the statutes and regulations of the State of Texas and the Texas Department of Insurance; and

- j. The doing or proposing to do any insurance business in substance equivalent to any of the acts defined in TEX. INS. CODE ANN. § 101.051 as doing an insurance business, in a manner designed to evade the provisions of the statutes.
18. This order shall not be interpreted as preventing TrafficCare from acting as an automobile club, within the legal definition of an automobile club in TEX. TRANSP. CODE ANN. § 722.002, should a certificate of authority from the Secretary of State be granted to TrafficCare for that purpose.

## CONCLUSIONS OF LAW

Based upon the foregoing Findings of Fact, the Commissioner of Insurance makes the following Conclusions of Law:

1. The Commissioner of Insurance has jurisdiction over this matter pursuant to TEX. INS. CODE ANN. §§ 82.001 *et seq.*, 84.001 *et seq.*, ch 101, 4001.051, 4001.053, 4001.101, 4001.106, and 4001.201 and TEX. GOV'T CODE ANN. §§ 2001.051-2001.178.
2. TrafficCare and Simpson acknowledge the existence of certain rights provided by the Texas Insurance Code and other applicable law, including the right to a notice of intention to institute disciplinary hearing, a notice of hearing, a public hearing, a proposal for decision, rehearing by the Commissioner of Insurance and judicial review. TrafficCare and Simpson waive all of these rights, as well as any other procedural rights that might otherwise apply, in consideration of the entry of this Consent Order.
3. The Commissioner of Insurance has authority to informally dispose of this matter as set forth herein under TEX. GOV'T CODE ANN. § 2001.056, TEX. INS. CODE ANN. § 82.055 and 28 TEX. ADMIN. CODE § 1.47.
4. Neither TrafficCare nor Simpson holds a license, certificate, or authorization to do the business of insurance in Texas to act as an insurer or agent and have not filed any notice with the Commissioner of any claim for exemption from TEX. INS. CODE ANN. § 101.102 with documents supporting such claim prior to commencing operations, as required by TEX. INS. CODE ANN. § 101.004.
5. The unlicensed and unauthorized conduct of TrafficCare and Simpson constitutes an unfair act and is fraudulent, illegal, hazardous or creates an immediate danger to the public safety; and is causing or can be reasonably expected to cause public injury. TrafficCare and Simpson's conduct, described in Finding of Facts Nos 7-15, violates TEX. INS. CODE ANN. §§ 101.051-101.102 and 4001.051-4001.101.

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Troy Simpson and Trafficare International, L.L.C.

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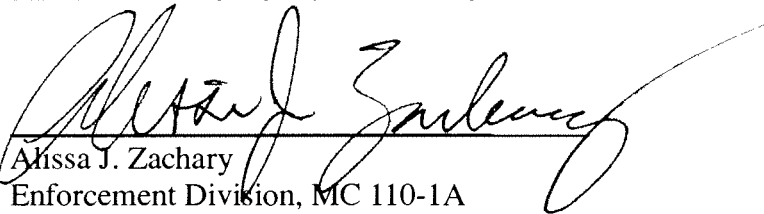
Based on the foregoing, the Commissioner of Insurance has determined from the facts of this case that an appropriate disposition is to order an administrative penalty be paid by Trafficare and Simpson, as well as full compliance with the provisions of this Order.

IT IS THEREFORE ORDERED by the Commissioner of Insurance that Trafficare International, LLC and Troy Simpson, jointly and severally, shall pay, and are hereby directed to pay, an administrative penalty of TEN THOUSAND DOLLARS (\$10,000). The administrative penalty must be paid in full on or before ninety (90) days from entry date of this Order. The administrative penalty shall be paid by cashier's check or money order made payable to the "State of Texas" and transmitted to the Texas Department of Insurance, Attn: Enforcement Division, Division 1111, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.

IT IS FURTHER ORDERED that Trafficare International, LLC and Troy Simpson shall immediately comply with the terms and conditions listed in Finding of Fact No. 17.

  
MIKE GEESLIN  
COMMISSIONER OF INSURANCE

APPROVED AS TO FORM AND CONTENT:

  
Alissa J. Zachary  
Enforcement Division, MC 110-1A  
Texas Department of Insurance

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AGREED AND ACCEPTED on this 26<sup>th</sup> day of Feb, 2011.

Amy A. Simpson

AUTHORIZED REPRESENTATIVE OF RESPONDENT,  
Trafficare International, LLC

THE STATE OF TX §  
COUNTY OF DALLAS §

BEFORE ME, \_\_\_\_\_, a notary public in and for the State of \_\_\_\_\_, on this day personally appeared \_\_\_\_\_, known to me or proved to me by \_\_\_\_\_ to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that [he/she] executed the same for the purposes and consideration therein expressed, who being by me duly sworn, deposed as follows:

1. "My name is Troy Simpson. I am of sound mind, capable of making this statement, and personally acquainted with the facts herein stated.
2. I hold the office of President/Founder. I am the authorized representative of Trafficare International, LLC, and I am duly authorized by said company to execute this statement.
3. Trafficare International, LLC has knowingly and voluntarily entered into this Consent Order and agrees with and consents to the issuance and service of the foregoing Consent Order by the Commissioner of Insurance of the State of Texas."

Troy Simpson

SIGNATURE OF AUTHORIZED REPRESENTATIVE,  
Trafficare International, LLC

Given under my hand and seal of office this 10<sup>th</sup> day of March, 2011.

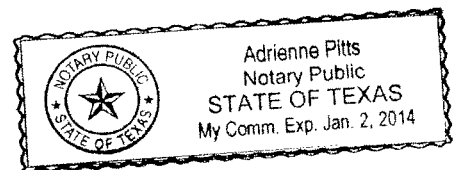
Signature of Notary Public

Adrienne Pitts

Printed Name of Notary Public Adrienne Pitts

NOTARY PUBLIC IN AND FOR THE STATE OF \_\_\_\_\_

My Commission Expires: Jan 2, 2014



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AGREED AND ACCEPTED on this 18<sup>th</sup> day of March, 2010.

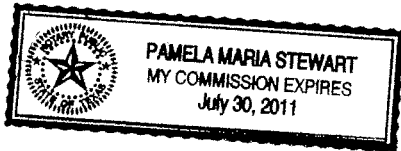
By: [Signature]  
Troy Simpson

THE STATE OF TEXAS                   §  
   §  
COUNTY OF Dallas                   §

BEFORE ME, Pamela Stewart, a notary public in and for the State of Texas, on this day personally appeared Troy Simpson, known to me or proved to me through \_\_\_\_\_ to be the person whose name is subscribed to the foregoing instrument, and advised and acknowledged to me that he has read the terms and conditions contained within the above Consent Order, has knowingly and voluntarily entered into the foregoing Consent Order and is executing the same for the purposes and consideration therein expressed.

Given under my hand and seal of office on March 18, <sup>2011</sup>~~2010~~.

(NOTARY SEAL)



Pamela Stewart  
Notary Public, State of Texas