

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
FORT WORTH DIVISION**

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JRG REINSURANCE COMPANY, LTD.,	:	
	:	
Plaintiff,	:	Case No.
	:	
-against-	:	
	:	
NATIONAL TRANSPORTATION ASSOCIATES, INC.,	:	
d/b/a/ NTA GENERAL INSURANCE AGENCY	:	
	:	
Defendant.	:	
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PLAINTIFF’S ORIGINAL COMPLAINT

COMES NOW Plaintiff JRG Reinsurance Company, Ltd. (“JRG Re” or “Plaintiff”) and, for its Original Complaint against Defendant National Transportation Associates, Inc., d/b/a NTA General Insurance Agency (“NTA” or “Defendant”), states and alleges the following:

OVERVIEW

1. This is a contract action arising out of and relating to Defendant’s repudiation and breach of its obligations under certain Quota Share Reinsurance Agreements (collectively, the “QSRAs”) between and among the Plaintiff and the Defendant for the periods September 1, 2014 through April 30, 2015, May 1, 2015 through April 30, 2016, May 1, 2016 through April 30, 2017 and May 1, 2017 through April 30, 2018.

2. Under the QSRAs and certain related General Agency Agreements (“GAAs”), non-party United Specialty Insurance Company (“USIC”) appointed NTA as its general agent to produce and underwrite commercial auto liability insurance. All such business written by NTA was insured by USIC and reinsured by reinsurers that subscribed to the QSRAs, including Plaintiff JRG Re. Under the QSRAs, NTA was entitled to a provisional commission that was based on the percentage of premium that JRG Re received from the policies written by NTA, insured by USIC,

and reinsured by JRG Re. NTA retained that provisional commission when the business was written and deducted it from the premium that it remitted to JRG Re.

3. Under the QSRAs, the provisional commission was required to be adjusted up or down based on the performance of the business written by NTA. Specifically, the provisional commission would be adjusted based on the loss ratio for the NTA business (*i.e.*, losses to JRG Re incurred on the policies written by NTA divided by the premium earned by JRG Re on those policies). If the loss ratios on the business written by NTA exceeded certain percentages, NTA was required to remit to JRG Re a return commission as set forth in each of the QSRAs.

4. The business written by NTA has not been profitable. In violation of its obligations under the QSRAs to remit to JRG Re adjustments on the provisional commissions, NTA has failed to pay to JRG Re nearly \$3.5 million in commission adjustments for nearly three years.

5. In addition to the commission adjustments that NTA has failed to pay, NTA is also wrongfully holding over \$500,000 received from JRG Re for a loss fund, which money is no longer needed and NTA is wrongly holding for its own benefit.

PARTIES

6. Plaintiff is a Bermuda corporation with its principal place of business in Hamilton, Bermuda.

7. Defendant is a California corporation with its principal place of business in Pleasanton, California. Therefore, Defendant is a citizen of California. At all relevant times, Defendant also maintained an administrative office in Bedford, Texas.

JURISDICTION AND VENUE

8. This Court has jurisdiction pursuant to 28 U.S.C. § 1332(a) because this action is between a citizen of a state and a citizen of a foreign state and the amount in controversy exceeds the sum of \$75,000, exclusive of interest and costs.

9. Plaintiff seeks over \$500,000 for its claims. Pursuant to the terms of the QSRAs and the GAAs between Plaintiff and Defendant, Plaintiff elects that the claims asserted in this lawsuit shall not be subject to arbitration and that litigation shall be the sole remedy for the claims asserted in this lawsuit.

10. Venue is proper in the Northern District of Texas, Fort Worth Division pursuant to 28 U.S.C. § 1391, in that this federal judicial district and division lies in Tarrant County, Texas, which comports with the forum selection clauses in each of the QSRAs, and a substantial part of the events or omissions giving rise to Plaintiff's claim occurred in this district and division.

FACTS

11. Non-party United Specialty Insurance Company ("USIC") is an insurance company that offers policies of insurance for commercial automobile liability.

12. NTA is a managing general agent that provides underwriting services, claims handling, and insurance products to and for the benefit of Plaintiff JRG Re.

13. For the period from 2014 through 2017, USIC and certain of its affiliates entered into the General Agency Agreements (the "GAAs") attached at Exhibits A through D and the Quota Share Reinsurance Agreements (the "QSRAs") attached at Exhibits E through H (together, the "Agreements").

14. Plaintiff and Defendant are parties to the Agreements.

The General Agency Agreements

15. Under the GAAs, NTA agreed to perform all functions necessary for the production, service and management of policies issued on behalf of USIC and its affiliates, subject to the QSRA in accordance with the terms and conditions set forth therein and in the GAAs.

16. At the request of Plaintiff JRG Re and the other reinsurers subscribing to the QSRAs, USIC appointed NTA as its General Agent.

17. At the request of JRG Re or any other reinsurer subscribing to the QSRAs, NTA is required to perform all acts and duties required under the policies of insurance issued by USIC and its affiliates.

18. NTA is required to perform several duties owed to USIC, JRG Re, and/or the other reinsurers subscribing to the QSRAs, including duties:

- a. to deposit collected premiums under the QSRA into a USIC-owned trust account;
- b. to remit funds of or due to JRG Re and the other subscribing reinsurers, or USIC as applicable, within 45 days from the end of the month in which the premium is recorded;
- c. to hold all funds of or due to USIC in a fiduciary capacity;
- d. to comply with all applicable laws, orders, policy decisions, and other requirements of the Texas Department of Insurance
- e. to make its books, records, accounts, documents, or correspondence regarding USIC, JRG Re, and the other subscribing reinsurers' respective businesses open to examination by any authorized representative of USIC or any reinsurer (including JRG Re) at all times;
- f. to make reports of accounting – including all net amounts due to USIC, JRG Re, and the other subscribing reinsurers, along with related line items – no later than 45 days following the month being accounted for; and
- g. to provide on request electronic copies of all data concerning reinsurer business.

The 2014-2017 Quota Share Reinsurance Agreements (QSRAs)

19. The QSRAs provide that NTA was appointed as USIC's General Agent for the purpose of producing and handling the business that is the subject of the QSRAs.

20. The QSRAs vested NTA with sufficient authority to perform several delegable duties that would otherwise be performed by USIC, including:

- a. adjusting and paying losses or other claims;
- b. remitting and/or receiving other monies due from or to USIC; and

- c. properly sending and/or receiving other reports and notices.

The 2014 QSRA

21. NTA and JRG Re are parties to that certain Quota Share Reinsurance Agreement, effective from September 1, 2014 through April 30, 2015 (the “2014 QSRA”). JRG Re subscribed to a 100% participation in the 2014 QSRA.

22. Paragraph 8.06 of the 2014 QSRA governs NTA’s commission structure, specifically providing NTA with a provisional commission of 27% of all premiums ceded to JRG Re under the 2014 QSRA. The commission to which NTA is entitled for the 2014 QSRA is then required to be adjusted pursuant to the terms of the agreement. Specifically, pursuant to Paragraph 8.06(a) of the 2014 QSRA, “If the ratio of losses incurred to premiums earned is 69% or greater, the adjusted commission rate for the period under consideration shall be 22%[.]”

23. Paragraph 8.06(b) of the 2014 QSRA provides further detail regarding the required adjustment to the provisional commission:

If the ratio of losses incurred to premiums earned for any period is greater than 69%, the difference in percentage points between the actual ratio of losses incurred to premiums earned and 69% shall be multiplied by premiums earned for the period and the product shall be carried forward to the next adjustment period as a debit (additional) to losses incurred. If the ratio of losses incurred to premiums earned for any period is less than 50%, the difference in percentage points between 50% and the actual ratio of losses incurred to premiums earned shall be multiplied by premiums earned for the period and the product shall be carried forward to the next adjustment period as a credit to losses incurred. Such credits/deficits shall not carry forward for more than two (2) years.

24. Paragraph 8.06(c) of the 2014 QSRA sets forth the requirement for NTA to pay to JRG Re the difference between the provisional commission and the adjusted commission, if the latter is less than the former:

The General Agent shall calculate and report the adjusted commission on ceded premiums earned within 60 days after 24

months after the end of each agreement year, and within 60 days after the end of each 12-month period thereafter until all losses subject hereto have been fully settled. If the adjusted commission on ceded premiums earned is less than commissions previously allowed by the Subscribing Reinsurer on ceded premiums earned for the agreement year, the General Agent shall remit the difference to the Subscribing Reinsurer with its report.

25. Paragraph 8.06(d) of the 2014 QSRA requires NTA to calculate the final adjustment of commission and to pay to JRG Re the difference between the provisional commission and the adjusted commission, if the latter is less than the former:

As respects the final adjustment period, the General Agent shall calculate and report the adjusted commission on premiums earned within ninety (90) days after the date of termination, and within ninety (90) days after the end of each twelve (12) month period thereafter until all losses subject hereto have been finally settled. Each such calculation shall be based on cumulative transactions hereunder from the beginning of the final adjustment period through the date of adjustment. If the adjusted commission on premiums earned for the final adjustment period as of the date of adjustment is less than commissions previously allowed by the Subscribing Reinsurer on premiums earned for the same period, the General Agent shall remit the difference to the Subscribing Reinsurer with its report.

The 2015 QSRA

26. JRG Re and NTA are parties to that certain Quota Share Reinsurance Agreement, effective from May 1, 2015 through April 30, 2016 (the “2015 QSRA”). JRG Re subscribed to a 50% participation in the 2015 QSRA.

27. Paragraph 8.06 of the 2015 QSRA governs NTA’s commission structure, specifically providing NTA with a provisional commission of 28% of all premiums ceded to JRG Re under the 2015 QSRA. The commission to which NTA is entitled for the 2015 QSRA is then required to be adjusted pursuant to the terms of the agreement. Specifically, pursuant to Paragraph 8.06(a) of the 2015 QSRA, “If the ratio of losses incurred to premiums earned is 69% or greater, the adjusted commission rate for the period under consideration shall be 22%[.]”

28. Paragraph 8.06(b) of the 2015 QSRA provides further detail regarding the required adjustment to the provisional commission:

If the ratio of losses incurred to premiums earned for any period is greater than 69%, the difference in percentage points between the actual ratio of losses incurred to premiums earned and 69% shall be multiplied by premiums earned for the period and the product shall be carried forward to the next adjustment period as a debit (additional) to losses incurred. If the ratio of losses incurred to premiums earned for any period is less than 50%, the difference in percentage points between 50% and the actual ratio of losses incurred to premiums earned shall be multiplied by premiums earned for the period and the product shall be carried forward to the next adjustment period as a credit to losses incurred. Such credits/deficits shall not carry forward for more than two (2) years.

29. Paragraph 8.06(c) of the 2015 QSRA sets forth the requirement for NTA to pay to JRG Re the difference between the provisional commission and the adjusted commission, if the latter is less than the former:

The General Agent shall calculate and report the adjusted commission on ceded premiums earned within 60 days after 24 months after the end of each agreement year, and within 60 days after the end of each 12-month period thereafter until all losses subject hereto have been fully settled. If the adjusted commission on ceded premiums earned is less than commissions previously allowed by the Subscribing Reinsurer on ceded premiums earned for the agreement year, the General Agent shall remit the difference to the Subscribing Reinsurer with its report.

30. Paragraph 8.06(d) of the 2015 QSRA requires NTA to calculate the final adjustment of commission and to pay to JRG Re the difference between the provisional commission and the adjusted commission, if the latter is less than the former:

As respects the final adjustment period, the General Agent shall calculate and report the adjusted commission on premiums earned within ninety (90) days after the date of termination, and within ninety (90) days after the end of each twelve (12) month period thereafter until all losses subject hereto have been finally settled. Each such calculation shall be based on cumulative transactions hereunder from the beginning of the final adjustment period through the date of adjustment. If the adjusted commission on premiums

earned for the final adjustment period as of the date of adjustment is less than commissions previously allowed by the Subscribing Reinsurer on premiums earned for the same period, the General Agent shall remit the difference to the Subscribing Reinsurer with its report.

The 2016 QSRA

31. JRG Re and NTA are parties to that certain Quota Share Reinsurance Agreement, effective from May 1, 2016 through April 30, 2017 (the “2016 QSRA”). JRG Re subscribed to a 28% participation in the 2016 QSRA.

32. Paragraph 8.06 of the 2016 QSRA governs NTA’s commission structure, specifically providing NTA with a provisional commission of 28% of all premiums ceded to JRG Re under the 2016 QSRA. The commission to which NTA is entitled for the 2016 QSRA is then required to be adjusted pursuant to the terms of the agreement. Specifically, pursuant to Paragraph 8.06(a) of the 2015 QSRA, “If the ratio of losses incurred to premiums earned is 70% or greater, the adjusted commission rate for the period under consideration shall be 21%[.]”

33. Paragraph 8.06(b) of the 2016 QSRA provides further detail regarding the required adjustment to the provisional commission:

If the ratio of losses incurred to premiums earned for any period is greater than 70%, the difference in percentage points between the actual ratio of losses incurred to premiums earned and 70% shall be multiplied by premiums earned for the period and the product shall be carried forward to the next adjustment period as a debit (additional) to losses incurred. If the ratio of losses incurred to premiums earned for any period is less than 50%, the difference in percentage points between 50% and the actual ratio of losses incurred to premiums earned shall be multiplied by premiums earned for the period and the product shall be carried forward to the next adjustment period as a credit to losses incurred. Such credits/deficits shall not carry forward for more than two (2) years.

34. Paragraph 8.06(c) of the 2016 QSRA sets forth the requirement for NTA to pay to JRG Re the difference between the provisional commission and the adjusted commission, if the

latter is less than the former:

The General Agent shall calculate and report the adjusted commission on ceded premiums earned within 60 days after 24 months after the end of each agreement year, and within 60 days after the end of each 12-month period thereafter until all losses subject hereto have been fully settled. If the adjusted commission on ceded premiums earned is less than commissions previously allowed by the Subscribing Reinsurer on ceded premiums earned for the agreement year, the General Agent shall remit the difference to the Subscribing Reinsurer with its report.

35. Paragraph 8.06(d) of the 2015 QSRA requires NTA to calculate the final adjustment of commission and to pay to JRG Re the difference between the provisional commission and the adjusted commission, if the latter is less than the former:

As respects the final adjustment period, the General Agent shall calculate and report the adjusted commission on premiums earned within ninety (90) days after the date of termination, and within ninety (90) days after the end of each twelve (12) month period thereafter until all losses subject hereto have been finally settled. Each such calculation shall be based on cumulative transactions hereunder from the beginning of the final adjustment period through the date of adjustment. If the adjusted commission on premiums earned for the final adjustment period as of the date of adjustment is less than commissions previously allowed by the Subscribing Reinsurer on premiums earned for the same period, the General Agent shall remit the difference to the Subscribing Reinsurer with its report.

The 2017 QSRA

36. JRG Re and NTA are parties to that certain Quota Share Reinsurance Agreement, effective from May 1, 2016 through April 30, 2017 (the “2017 QSRA”). JRG Re subscribed to a 13.33% participation in the 2017 QSRA.

37. Paragraph 8.05 of the 2017 QSRA governs NTA’s commission structure, specifically providing NTA with a provisional commission of 31% of all premiums ceded to JRG Re under the 2017 QSRA. The commission to which NTA is entitled for the 2017 QSRA is then required to be adjusted pursuant to the terms of the agreement. Specifically, pursuant to Paragraph

8.05(a) of the 2015 QSRA, “If the ratio of losses incurred to premiums earned is 66% or greater, the adjusted commission rate for the period under consideration shall be 25%[.]”

38. Paragraph 8.05(b) of the 2017 QSRA provides further detail regarding the required adjustment to the provisional commission:

If the ratio of losses incurred to premiums earned for any period is greater than 66%, the difference in percentage points between the actual ratio of losses incurred to premiums earned and 66% shall be multiplied by premiums earned for the period and the product shall be carried forward to the next adjustment period as a debit (additional) to losses incurred. If the ratio of losses incurred to premiums earned for any period is less than 45%, the difference in percentage points between 45% and the actual ratio of losses incurred to premiums earned shall be multiplied by premiums earned for the period and the product shall be carried forward to the next adjustment period as a credit to losses incurred. Such credits/deficits shall not carry forward for more than two (2) years.

39. Paragraph 8.05(c) of the 2017 QSRA sets forth the requirement for NTA to pay to JRG Re the difference between the provisional commission and the adjusted commission, if the latter is less than the former:

The General Agent shall calculate and report the adjusted commission on ceded premiums earned within 60 days after 24 months after the end of each agreement year, and within 60 days after the end of each 12-month period thereafter until all losses subject hereto have been fully settled. If the adjusted commission on ceded premiums earned is less than commissions previously allowed by the Subscribing Reinsurer on ceded premiums earned for the agreement year, the General Agent shall remit the difference to the Subscribing Reinsurer with its report.

40. Paragraph 8.05(d) of the 2017 QSRA requires NTA to calculate the final adjustment of commission and to pay to JRG Re the difference between the provisional commission and the adjusted commission, if the latter is less than the former:

As respects the final adjustment period, the General Agent shall calculate and report the adjusted commission on premiums earned within ninety (90) days after the date of termination, and within ninety (90) days after the end of each twelve (12) month period

thereafter until all losses subject hereto have been finally settled. Each such calculation shall be based on cumulative transactions hereunder from the beginning of the final adjustment period through the date of adjustment. If the adjusted commission on premiums earned for the final adjustment period as of the date of adjustment is less than commissions previously allowed by the Subscribing Reinsurer on premiums earned for the same period, the General Agent shall remit the difference to the Subscribing Reinsurer with its report.

Defendant's Failure To Remit Amounts Due Under The Commission Adjustments

41. Despite its obligations under the QSRAs, NTA has failed to process reporting under each of the QSRAs and has failed to account for and remit to JRG Re the amounts owed by NTA to JRG Re for contingent commission adjustments.

42. As of the filing of this Complaint, NTA has not provided JRG Re with any required statement, report, or remittance since July 30, 2020, at which time a third-party reinsurance broker provided a commission-adjustment statement current through April 30, 2020. Since that time, NTA has not made any of the payments required under the contingent commission structure set forth in the 2014 through 2017 QSRAs.

43. Under the terms of the QSRAs, NTA was required to report and remit adjustment of the provisional commission on July 29, 2021 for the period through April 30, 2021. NTA failed to do so and has failed to report and remit adjustment of the provisional commission at every required reporting date since that time. Since July 29, 2021, NTA has been indebted to JRG Re for return commissions in the total principal amount of \$3,425,636.80, as set forth below.

44. As of April 30, 2021, for the 2014 QSRA, the amount of premium earned by JRG Re was \$17,236,506.76. The amount of losses incurred by JRG Re, as adjusted in accordance with Paragraph 8.06 of the 2014 QSRA, was \$17,835,212.41. Accordingly, the ratio of losses incurred to premium earned for the 2014 QSRA was 101%. The adjusted loss ratio for the 2014 QSRA has remained above 69% since April 30, 2021. Because the ratio of losses incurred to premium earned

under the 2014 QSRA is 69% or greater, the adjusted commission rate for the 2014 QSRA shall be 22% of the net premiums earned. Following prior adjustments, NTA is currently holding \$3,841,191.83 in commissions under the 2014 QSRA. NTA is required to remit the difference between “the adjusted commission on premiums earned [22%]” and the \$3,841,191.83 that it is continuing to hold, which return commission amount is \$49,160.34. NTA has failed to remit that sum to JRG Re since it first became due on July 29, 2021.

45. As of April 30, 2021, for the 2015 QSRA, the amount of premium earned by JRG Re was \$17,885,256.85. The amount of losses incurred by JRG Re, as adjusted in accordance with Paragraph 8.06 of the 2015 QSRA, was \$17,218,056.76. Accordingly, the ratio of losses incurred to premium earned for the 2015 QSRA was 96%. The loss ratio for the 2015 QSRA has remained above 69% since April 30, 2021. Because the ratio of losses incurred to premium earned under the 2015 QSRA is 69% or greater, the adjusted commission rate for the 2015 QSRA shall be 22% of the net premiums earned. Following prior adjustments, NTA is currently holding \$4,812,026.56 in commissions under the 2015 QSRA. NTA is required to remit the difference between “the adjusted commission on premiums earned [22%]” and the \$4,812,026.56 that it is continuing to hold, which return commission amount is \$877,270.05. NTA has failed to remit that sum to JRG Re since it first became due on July 29, 2021.

46. As of April 30, 2021, for the 2016 QSRA, the amount of premium earned by JRG Re was \$18,587,264.85. The amount of losses incurred by JRG Re, as adjusted in accordance with Paragraph 8.06 of the 2016 QSRA, was \$20,068,991.47. Accordingly, the ratio of losses incurred to premium earned for the 2016 QSRA was 108%. The loss ratio for the 2016 QSRA has remained above 70% since April 30, 2021. Because the ratio of losses incurred to premium earned under the 2016 QSRA is 70% or greater, the adjusted commission rate for the 2016 QSRA shall be 21% of

the net premiums earned. Following prior adjustments, NTA is currently holding \$4,271,242.04 in commissions under the 2016 QSRA. NTA is required to remit the difference between “the adjusted commission on premiums earned [21%]” and the \$4,271,242.04 that it is continuing to hold, which return commission amount is \$367,916.42. NTA has failed to remit that sum to JRG Re since it first became due on July 29, 2021.

47. As of April 30, 2021, for the 2017 QSRA, the amount of premium earned by JRG Re was \$15,360,094.71. The amount of losses incurred by JRG Re, as adjusted in accordance with Paragraph 8.05 of the 2017 QSRA, was \$18,866,218.26. Accordingly, the ratio of losses incurred to premium earned for the 2017 QSRA was 122%. The loss ratio for the 2017 QSRA has remained above 66% since April 30, 2021. Because the ratio of losses incurred to premium earned under the 2017 QSRA is 66% or greater, the adjusted commission rate for the 2017 QSRA shall be 25% of the net premiums earned. Following prior adjustments, NTA is currently holding \$5,971,313.66 in commissions under the 2017 QSRA. NTA is required to remit the difference between “the adjusted commission on premiums earned [25%]” and the \$5,971,313.66 that it is continuing to hold, which return commission amount is \$2,131,289.98. NTA has failed to remit that sum to JRG Re since it first became due on July 29, 2021.

Defendant’s Wrongful Holding Of JRG Re Monies

48. Pursuant to the several QSRA, NTA maintained a loss fund to be funded initially by retaining premiums and then, if retained premiums were insufficient for the agreed amount of the loss fund, by funds contributed by reinsurers, including JRG Re. The purpose of the loss fund was to fund the payment of claims. JRG Re satisfied its obligations under the QSRA by remitting to NTA amounts for the loss fund when requested.

49. In or around September 2021, USIC or its affiliates contributed amounts to a loss

fund and continue to contribute amounts sufficient to maintain the minimum loss fund balance as agreed among the parties.

50. Notwithstanding that the loss fund is fully funded in the amount agreed by the parties as a result of the contributions of USIC or its affiliates, NTA has continued to hold \$506,648.72 in funds contributed by JRG Re in excess of the required amount of the loss fund. Despite repeated requests from JRG Re, NTA has refused to return these funds that it wrongfully holds.

**FIRST CAUSE OF ACTION
(Breach of the 2014 QSRA Commission Requirements)**

51. Plaintiff restates and incorporates by reference all preceding allegations.

52. The 2014 QSRA is a binding contract under Texas law, supported by valid consideration, including provisional commissions, in exchange for timely reporting and remitting of the dollar-value difference between (i) the provisional-commission amount and (ii) the adjusted-commission amount (the “2014 Commission Adjustment”).

53. Plaintiff has complied with all material provisions and performed all of its respective duties under the 2014 QSRA.

54. Defendant breached its contractual duties to pay Plaintiff the 2014 Commission Adjustment by unlawfully withholding the provisional commission overpayment.

55. Plaintiff has suffered damages as a direct result of the natural, probable, and foreseeable consequences of Defendant’s contractual breaches, for which damages Plaintiff now sues. In addition, all conditions precedent to recovery for breach of contract have otherwise been satisfied or waived.

56. As a result of Defendant’s breach of the Commission Adjustment provisions of the 2014 QSRA, Plaintiff is entitled to recover from Defendant the sum of \$49,160.34, plus lawful

prejudgment interest.

**SECOND CAUSE OF ACTION
(Breach of the 2015 QSRA Commission Requirements)**

57. Plaintiff restates and incorporates by reference all preceding allegations.

58. The 2015 QSRA is a binding contract under Texas law, supported by valid consideration, including provisional commissions, in exchange for timely reporting and remitting of the dollar-value difference between (i) the provisional-commission amount and (ii) the adjusted-commission amount (the “2015 Commission Adjustment”).

59. Plaintiff has complied with all material provisions and performed all of its respective duties under the 2015 QSRA.

60. Defendant breached its contractual duties to pay Plaintiff the 2015 Commission Adjustment by unlawfully withholding the provisional commission overpayment.

61. Plaintiff has suffered damages as a direct result of the natural, probable, and foreseeable consequences of Defendant’s contractual breaches, for which damages Plaintiff now sues. In addition, all conditions precedent to recovery for breach of contract have otherwise been satisfied or waived.

62. As a result of Defendant’s breach of the Commission Adjustment provisions of the 2015 QSRA, Plaintiff is entitled to recover from Defendant the sum of \$877,270.05, plus lawful prejudgment interest.

**THIRD CAUSE OF ACTION
(Breach of the 2016 QSRA Commission Requirements)**

63. Plaintiff restates and incorporates by reference all preceding allegations.

64. The 2016 QSRA is a binding contract under Texas law, supported by valid consideration, including provisional commissions, in exchange for timely reporting and remitting of the dollar-value difference between (i) the provisional-commission amount and (ii) the adjusted-

commission amount (the “2016 Commission Adjustment”).

65. Plaintiff has complied with all material provisions and performed all of its respective duties under the 2016 QSRA.

66. Defendant breached its contractual duties to pay Plaintiff the 2016 Commission Adjustment by unlawfully withholding the provisional commission overpayment.

67. Plaintiff has suffered damages as a direct result of the natural, probable, and foreseeable consequences of Defendant’s contractual breaches, for which damages Plaintiff now sues. In addition, all conditions precedent to recovery for breach of contract have otherwise been satisfied or waived.

68. As a result of Defendant’s breach of the Commission Adjustment provisions of the 2016 QSRA, Plaintiff is entitled to recover from Defendant the sum of \$367,916.42, plus lawful prejudgment interest.

**FOURTH CAUSE OF ACTION
(Breach of the 2017 QSRA Commission Requirements)**

69. Plaintiff restates and incorporates by reference all preceding allegations.

70. The 2017 QSRA is a binding contract under Texas law, supported by valid consideration, including provisional commissions, in exchange for timely reporting and remitting of the dollar-value difference between (i) the provisional-commission amount and (ii) the adjusted-commission amount (the “2017 Commission Adjustment”).

71. Plaintiff has complied with all material provisions and performed all of its respective duties under the 2017 QSRA.

72. Defendant breached its contractual duties to pay Plaintiff the 2017 Commission Adjustment by unlawfully withholding the provisional commission overpayment.

73. Plaintiff has suffered damages as a direct result of the natural, probable, and

foreseeable consequences of Defendant's contractual breaches, for which damages Plaintiff now sues. In addition, all conditions precedent to recovery for breach of contract have otherwise been satisfied or waived.

74. As a result of Defendant's breach of the Commission Adjustment provisions of the 2017 QSRA, Plaintiff is entitled to recover from Defendant the sum of \$2,131,289.98, plus lawful prejudgment interest.

**FIFTH CAUSE OF ACTION
(Money Had And Received Relating To The Loss Fund)**

75. Plaintiff restates and incorporates by reference all preceding allegations.

76. JRG Re satisfied its obligations under the QSRA's by remitting to NTA amounts for the loss fund when requested.

77. Subsequently, USIC or its affiliates contributed amounts and continue to contribute amounts sufficient to maintain the minimum loss fund balance as agreed by the parties.

78. Notwithstanding that the loss fund is fully funded in the amount agreed by the parties as the result of the contributions of USIC or its affiliates, NTA has continued to hold \$506,648.72 in funds contributed by JRG Re in excess of the required amount of the loss fund. Despite repeated requests from JRG Re, NTA has refused to return these funds that it wrongfully holds.

79. Accordingly, NTA has or had \$506,648.72, which money belongs to Plaintiff JRG Re in equity and good conscience.

80. As a result of this money had and received by NTA, JRG Re is entitled to recover from NTA the sum of \$506,648.72, plus lawful prejudgment interest.

JURY DEMAND

Plaintiff hereby demands a trial by jury.

ATTORNEYS' FEES

Plaintiff has been required to obtain the services of attorneys to protect its rights. Therefore, Plaintiff has incurred and continues to incur attorneys' fees and costs. Plaintiff is entitled to recover from Defendant its reasonable and necessary attorneys' fees for breaches contract pursuant to Texas Civil Practice and Remedies Code Chapter 38.

CONDITIONS PRECEDENT

All conditions precedent to any and all relief sought by Plaintiff herein have been performed, excused, waived, satisfied, or have otherwise occurred.

CERTIFICATE OF INTERESTED PERSONS

A separately signed certificate of interested persons that complies with Local Rule 3.1(c) is being filed contemporaneously with this Complaint.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff JRG Reinsurance Company, Ltd. respectfully requests that this Court enter judgment as follows:

- (i) On the First Cause of Action, judgment against defendant National Transportation Associates, Inc. in an amount to be determined at trial, but not less than \$49,160.34;
- (ii) On the Second Cause of Action, judgment against defendant National Transportation Associates, Inc. in an amount to be determined at trial, but not less than \$877,270.05;
- (iii) On the Third Cause of Action, judgment against defendant National Transportation Associates, Inc. in an amount to be determined at trial, but not less than \$367,916.42;
- (iv) On the Fourth Cause of Action, judgment against defendant National

Transportation Associates, Inc. in an amount to be determined at trial, but not less than \$2,131,289.98;

- (v) On the Fifth Cause of Action, judgment against defendant National Transportation Associates, Inc. in an amount to be determined at trial, but not less than \$506,648.72;
- (vi) Awarding reasonable and necessary attorneys' fees, costs, expenses, and disbursements as may be allowed by law;
- (vii) Awarding prejudgment and post judgment interest at the highest rate allowable by law; and
- (viii) Granting JRG Reinsurance Company, Ltd. such other further relief as may be just and proper.

Dated: May 3, 2024

Respectfully submitted,

PARSONS MCENTIRE MCCLEARY PLLC

By: /s/ Sawnie A. McEntire
Sawnie A. McEntire
State Bar No. 13590100
smcentire@pmmlaw.com
PARSONS MCENTIRE MCCLEARY PLLC
1700 Pacific Avenue, Suite 4400
Dallas, Texas 75201
Telephone: (214) 237-4300
Facsimile: (214) 237-4340

- and -

SMITH, GAMBRELL & RUSSELL, LLP

Sean Thomas Keely
skeely@sgrlaw.com
SMITH, GAMBRELL & RUSSELL, LLP

1301 Avenue of the Americas, 21st Floor
New York, New York 10019
Telephone: (646) 887-9590
Facsimile: (646) 887-8163
Pro Hac Vice Application Forthcoming

Attorneys for Plaintiff
JRG Reinsurance Company, Ltd.