

No. **2023-7950**

**Official Order  
of the  
Texas Commissioner of Workers' Compensation**

**Date: 5/9/2023**

**Subject Considered:**

Travelers Casualty Insurance Company of America  
PO Box 163201  
Austin, Texas 78716-3201

Consent Order  
DWC Enforcement File Nos. 31479 and 31480

**General remarks and official action taken:**

This is a consent order with Travelers Casualty Insurance Company of America (Respondent). The commissioner of the Texas Department of Insurance, Division of Workers' Compensation (DWC) considers whether DWC should take disciplinary action against Respondent.

**Waiver**

Respondent acknowledges that the Texas Labor Code and other applicable laws provide certain rights. Respondent waives all of these rights, and any other procedural rights that apply, in consideration of the entry of this consent order.

**Findings of Fact**

1. Respondent holds a certificate of authority issued by the Texas Department of Insurance to transact the business of insurance pursuant to Tex. Ins. Code §§ 801.051-801.053 and is licensed to write workers' compensation/employers' liability insurance in Texas.
2. Respondent was classified as "average" tier in the 2010, 2012, 2014, 2016, 2018 and 2020 Performance Based Oversight (PBO) assessments. Respondent was classified as "high" tier in the 2022 PBO assessment. Respondent was not selected to be tiered in the 2007 or 2009 PBO assessments.

### Failure to Timely Act on a Medical Bill

#### *File No. 31479*

3. On [REDACTED] a health care provider provided medical services to an injured employee. On [REDACTED] Respondent received a completed medical bill in the amount of [REDACTED] from the health care provider.
4. Respondent was required to act on the bill within 45 days of receiving it. The deadline to act was [REDACTED]
5. On [REDACTED] Respondent acted on the medical bill 220 days late, when it denied payment stating the medical bill was not submitted within 95 days of the service.
6. On [REDACTED] Respondent paid the [REDACTED] after receiving a request for reconsideration.
7. On [REDACTED] Respondent paid interest 186 days late.

#### *File No. 31480*

8. On [REDACTED] a health care provider provided medical services to an injured employee. On [REDACTED] Respondent received a completed medical bill in the amount of [REDACTED] from the health care provider.
9. Respondent was required to act on the bill within 45 days of receiving it. The deadline to act was [REDACTED]
10. On [REDACTED] Respondent issued payment in the amount of [REDACTED] which was 182 days late.
11. On [REDACTED] Respondent paid interest 204 days late.

### **Assessment of Sanction**

1. Failure to pay health benefits in a timely and cost-effective manner is harmful to injured employees and the Texas workers' compensation system. Prompt payment

of medical bills is imperative to DWC's goal of ensuring that injured employees have access to prompt, high-quality medical care.

2. In assessing the sanction for this case, DWC fully considered the following factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e):
  - the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the prohibited act;
  - the history and extent of previous administrative violations;
  - the violator's demonstration of good faith, including actions it took to rectify the consequences of the prohibited act;
  - the penalty necessary to deter future violations;
  - whether the administrative violation had a negative impact on the delivery of benefits to an injured employee;
  - the history of compliance with electronic data interchange requirements;
  - to the extent reasonable, the economic benefit resulting from the prohibited act; and
  - other matters that justice may require, including, but not limited to:
    - PBO assessments;
    - prompt and earnest actions to prevent future violations;
    - self-report of the violation;
    - the size of the company or practice;
    - the effect of a sanction on the availability of health care; and
    - evidence of heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules.
3. DWC found the following factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e) to be aggravating: the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the prohibited act; the penalty necessary to deter future violations; and to the extent reasonable, the economic benefit resulting from the prohibited act.
4. DWC found the following factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e) to be mitigating: the history and extent of previous administrative violations and other matters that justice may require, including, but not limited to PBO assessments.
5. Respondent acknowledges communicating with DWC about the relevant statute and rule violations alleged; that the facts establish that the administrative

violation(s) occurred; and that the proposed sanction is appropriate, including the factors DWC considered under Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).

6. Respondent acknowledges that, in assessing the sanction, DWC considered the factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).

### **Conclusions of Law**

1. The commissioner has jurisdiction over this matter pursuant to Tex. Lab. Code §§ 402.001, 402.00111, 402.00114, 402.00116, 402.00128, 414.002, and 414.003.
2. The commissioner has the authority to dispose of this case informally pursuant to Tex. Gov't Code § 2001.056, Tex. Lab. Code §§ 401.021 and 402.00128(b)(6)-(7), and 28 Tex. Admin. Code § 180.26(h) and (i).
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 intent to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, a rehearing by the commissioner, and judicial review.
4. Pursuant to Tex. Lab. Code § 415.021, the commissioner may assess an administrative penalty against a person who commits an administrative violation.
5. Pursuant to Tex. Lab. Code § 415.002(a)(20), an insurance carrier or its representative commits an administrative violation each time it violates a DWC rule.
6. Pursuant to Tex. Lab. Code § 415.002(a)(22), an insurance carrier or its representative commits an administrative violation each time it fails to comply with a provision of the Texas Workers' Compensation Act.

### Failure to Timely Act on a Medical Bill

7. Pursuant to Tex. Lab. Code § 408.027 and 28 Tex. Admin. Code § 133.240, an insurance carrier is required to timely process and take final action on a completed medical bill within 45 days of receiving the bill.

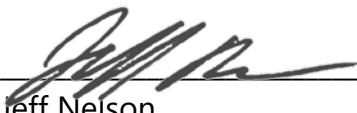
8. Respondent violated Tex. Lab. Code §§ 408.027; 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 133.240 each time Respondent failed to pay, reduce, deny, or determine to audit a completed medical bill within 45 days of receiving the bill.

Failure to Timely Pay Interest for Medical Benefits

9. Pursuant to Tex. Lab. Code § 413.019(a) and 28 Tex. Admin. Code § 134.130(a), an insurance carrier must pay interest on medical bills paid on or after the 60th day after the insurance carrier originally received the complete medical bill.
10. Respondent violated Tex. Lab. Code § 413.019(a); 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 134.130(a) when Respondent failed to pay interest on medical bills paid on or after the 60th day after the insurance carrier originally received the complete medical bill.

**Order**


It is ordered that Travelers Casualty Insurance Company of America must pay an administrative penalty of \$2,000 within 30 days from the date of this order. Travelers Casualty Insurance Company of America must pay the administrative penalty by company check, cashier's check, or money order and make it payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: DWC Enforcement Section, MC AO-9999, PO Box 12030, Austin, Texas 78711-2030.



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Jeff Nelson  
Commissioner  
TDI, Division of Workers' Compensation

Approved Form and Content:



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Tyrus Housh  
Staff Attorney, Enforcement  
Compliance and Investigations  
TDI, Division of Workers' Compensation

Commissioner's Order  
Travelers Casualty Insurance Company of America  
DWC Enforcement File Nos. 31479 and 31480  
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**Unsworn Declaration**

**STATE OF** TEXAS §  
§  
**COUNTY OF** DAVIES §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Adam Wickham. I hold the position of VICE PRESIDENT and am the authorized representative of Travelers Casualty Insurance Company of America. My business address is:

1301 E. COLLINS BLVD. RICHARDSON, DAVIES, TX 75081  
(Street) (City) (County) (State) (ZIP Code)

I am executing this declaration as part of my assigned duties and responsibilities. I declare under penalty of perjury that the facts stated in this document are true and correct.

Adam Wickham  
Declarant

Executed on APRIL 21, 2023.