

No. **2025-9289**

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

Date: 5/9/2025

Subject Considered:

AIU Insurance Company
PO Box 201329
Austin, Texas 78720-1329

Consent Order
DWC Enforcement File Nos. 36321, 36390, 36426, & 36452

General remarks and official action taken:

This is a consent order with AIU Insurance Company (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 multiple lines of insurance in Texas, including workers' compensation/employers' liability insurance.
2. Respondent was classified as "average" tier in the 2024, and 2022 Performance Based Oversight (PBO) assessments. Respondent was not selected to be tiered in the 2020 PBO assessments.

Failure to Timely Pay or Dispute Initial TIBs

File No. 36321

3. On [REDACTED], Respondent received notice of an employee's workplace injury.
4. The injured employee's first day of disability began on [REDACTED] 024. The eighth day of disability accrued on [REDACTED].
5. Respondent was required to initiate or dispute TIBs either 15 days after it received written notice of the injury or seven days after the accrual date, whichever is later. In this case, the latest date was [REDACTED].
6. On [REDACTED], Respondent initiated \$ [REDACTED] in TIBs nine days late.

Failure to Timely Initiate Payment of Accrued Temporary Income Benefits (TIBs)

File No. 36390

7. Respondent was required to pay TIBs to an injured employee for the period of [REDACTED] through [REDACTED]. The TIBs payment was due seven days after the first day of the pay period, which was [REDACTED].
8. On [REDACTED], Respondent paid \$ [REDACTED] in TIBs seven days late.

Failure to Pay Initial Supplemental Income Benefits (SIBs)

File No. 36452

9. On [REDACTED], Respondent received a *Notice of Entitlement to Supplemental Income Benefits*, for the first quarter, which began on [REDACTED].
10. Respondent's payment for the first month of the first quarter was due by the 10th day after Respondent received DWC's determination of entitlement or the seventh day of the first quarter, whichever is later. Here, the latest date was [REDACTED].
11. On [REDACTED], Respondent paid \$ [REDACTED] in SIBs for the first month of the first quarter seven days late.

Failure to Provide Medical Records Prior to a Designated Doctor (DD) exam

File No. 36426

- 12. [REDACTED], DWC ordered an injured employee to attend a DD exam on [REDACTED]
- 13. On [REDACTED], Respondent received notice of the DD exam and an order to produce the injured employee’s medical records to the DD.
- 14. Respondent was required to provide the injured employee’s medical records to the DD no later than three working days prior to the exam, or by [REDACTED].
- 15. On [REDACTED], Respondent provided the medical records 14 days late.
- 16. This delay caused the DD exam to be rescheduled.

Assessment of Sanction

- 1. Failure to provide income benefits in a timely and cost-effective manner is harmful to injured employees and the Texas workers’ compensation system.
- 2. The failure to timely produce medical records has a negative impact on the delivery of benefits to an injured employee and is harmful to the injured employee and to the Texas workers’ compensation system.
- 3. 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;

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Texas Labor Code §§402.083 and 402.092

- 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.
4. DWC found the following factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e) to be aggravating:
- a. Respondent's conduct is serious because there are multiple violations directly and negatively impacting the delivery of benefits and the efficient operation of the Workers' Compensation System;
 - b. Respondent has a substantial violation history of substantially similar violations, including failure to provide medical records to DDs twice in the last six months; and failure to pay accrued TIBs five times in the last year;
 - c. the penalty is necessary to deter future violations;
 - d. other matters, including Respondent's size and sophistication as the 20th largest workers' compensation carrier in Texas; and
 - e. the economic benefit Respondent received as a result of the conduct.
5. DWC is aware of no mitigating factors pursuant to Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).
6. 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).
7. 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.
7. Pursuant to Tex. Lab. Code §§ 408.081, 409.023, and 415.002(a)(16), an insurance carrier must pay benefits weekly, as and when the benefits accrue, without order from the commissioner.

Failure to Timely Pay or Dispute Initial TIBs

File No. 36321

8. Pursuant to Tex. Lab. Code §§ 408.081; 408.082; 409.021; and 28 Tex. Admin. Code §§ 124.3 and 124.7, an insurance carrier is required to initiate payment of TIBs no later than the 15th day after it receives written notice of the injury or the seventh

day after the accrual date, unless the insurance carrier notifies DWC and the injured employee in writing of its refusal to pay.

9. Respondent violated Tex. Lab. Code §§ 409.021; 415.002(a)(16), (20), and (22); and 28 Tex. Admin. Code §§ 124.3 and 124.7 by failing to timely pay or dispute initial TIBs.

Failure to Timely Initiate Payment of Accrued TIBs

File No. 36390

10. Pursuant to Tex. Lab. Code §§ 408.081, 408.082, and 28 Tex. Admin. Code §124.7, an insurance carrier is required to initiate payment of TIBs no later than the seventh day after the accrual date.
11. Respondent violated Tex. Lab. Code §§ 408.081, 409.023, 415.002(a)(16) and (22) when Respondent failed to timely pay accrued TIBs.

Failure to Pay Initial SIBs

File No. 36452

12. Pursuant to Tex. Lab. Code § 408.144, SIBs are calculated quarterly and paid monthly.
13. Pursuant to Tex. Lab. Code § 408.145, an insurance carrier must pay SIBs no later than the seventh day after the employee's impairment income benefit period expires and must continue to pay the benefits in a timely manner.
14. Pursuant to Tex. Lab. Code § 409.023, an insurance carrier must continue to pay benefits promptly as and when benefits accrue without a final decision, order, or other action from the commissioner, except as otherwise provided.
15. Pursuant to 28 Tex. Admin. Code § 130.107, an insurance carrier must make the first payment of SIBs for the first quarter by the 10th day after receiving a DWC determination of entitlement or the seventh day of the quarter. An insurance carrier must make the second payment by the 37th day of the quarter and the third payment by the 67th day of the quarter.

16. Respondent violated Tex. Lab. Code §§ 408.145, 409.023; 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 130.107 by paying SIBs for the first month of the quarter late.

Failure to provide medical records ahead of a DD exam

File No. 36426

17. Pursuant to 28 Tex. Admin. Code § 127.10(a)(3), the insurance carrier shall ensure that the required records and analyses (if any) are received by the DD no later than three working days prior to the date of the DD examination.
18. Respondent violated Tex. Lab. Code § 415.002(a)(20) and 28 Tex. Admin. Code § 127.10(a)(3) by failing to provide the injured employee's medical records to the DD no later than three working days prior to the date of the exam.

Order

It is ordered that AIU Insurance Company must pay an administrative penalty of \$5,500 within 30 days from the date the Commissioner signs the order.

After receiving an invoice, AIU Insurance Company must pay the administrative penalty by electronic transfer using the State Invoice Payment Service, 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, P.O. Box 12030, Austin, Texas 78711-2030.



Jeff Nelson
Commissioner
TDI, Division of Workers' Compensation

Approved Form and Content:



Dan Garcia
Staff Attorney, Enforcement
Compliance and Investigations
TDI, Division of Workers' Compensation

Commissioner sO r er
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Unsworn Declaration

STATE OF New York §
§
COUNTY OF New York §

Pursuant to the Tex. Civ. Prac. an Rem. Co e § 13 .001(a), (b), an (), my name is Conor Murray. I hol the position of Senior Vice-President an am the authorize representative of IU Insurance Company. My business a ress is: 1271 Avenues of the Americas, New York, New York, NY, 10020.
(Street) (City) (County) (State) (ZIP Co e)

I am executing this eclaration as part of my assigne uties an responsibilities. I eclare un er penalty of perjury that the facts state in this ocument are true an correct.

Signed by:
Conor Murray
EE7D677E62F8437...
Declarant

Execute on April 9, 2025 | 8:47 AM EDT, 0 5.

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Texas Labor Code §§402.083 and 402.092