

No. **2026-9716**

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

Date: 1/7/2026

Subject Considered:

AIU Insurance Company
1271 Avenue of the Americas, Floor 37
New York, New York 10020-1304

Consent Order
DWC Enforcement File Nos. 37822 & 37823

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 2022, and 2024 Performance Based Oversight (PBO) assessments. Respondent was not selected to be tiered in the 2020 PBO assessment.

Failure to Pay Temporary Income Benefits in Accordance with a Designated Doctor Report

File No. 37822

3. On [REDACTED], Respondent received a designated doctor (DD) report of a DD examination performed on [REDACTED].
4. The DD determined an injured employee had disability from [REDACTED] to [REDACTED] because of a compensable injury.
5. Respondent was required to pay accrued temporary income benefits (TIBs) no later than five days after receiving the DD report, or by [REDACTED].
6. On [REDACTED], Respondent partially complied by paying [REDACTED] in TIBs.
7. On [REDACTED], Respondent fully complied by paying the remaining [REDACTED] in accrued TIBs plus interest 95 days late.

Failure to Timely Pay Benefits Based on an Adjusted Average Weekly Wage (AWW)

File No. 37823

8. On [REDACTED], Respondent initiated [REDACTED] in TIBs to an injured employee. Respondent had not received a DWC Form-003, *Employer's Wage Statement* (DWC Form-3) from the employer, so Respondent used available wage information to determine this rate.
9. On [REDACTED] Respondent received a DWC Form-003 from the injured employee's employer. However, Respondent incorrectly adjusted the AWW to [REDACTED] and the weekly benefit rate as [REDACTED]. The correct AWW was [REDACTED] and the benefit rate was [REDACTED].
10. Respondent was required to adjust the AWW and begin payment of benefits within seven days after the new information was received, or by [REDACTED].
11. On [REDACTED], Respondent began paying TIBs at the correct rate 34 days late.

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. Failure to pay benefits after receiving correct wage information increases the likelihood of disputes, has a negative impact on the injured employee, and is abrogation of a carrier's responsibilities under Texas Workers' Compensation Act and DWC Rules.
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;
 - 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. the seriousness of the violations, including more than [REDACTED] in benefits delivered up to 95 days late;
 - b. Respondent's history of similar administrative violations, including one consent order involving late payment of TIBs after receipt of a DD report,

- and one consent order involving late payment of benefits after adjusting AWW;
- c. the penalty necessary to deter future violations;
 - d. the negative impact on the delivery of over [REDACTED] in benefits to injured employees; and
 - e. Respondent's size and knowledge of the Texas workers compensation system.
5. DWC found the following factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e) to be mitigating:
- a. Respondent provided one on one training to the adjuster responsible for file no. 37822.
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, 402.00114, 402.00116, 402.00128, and 414.002.
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 § 408.101, an employee is entitled to temporary income benefits if the employee has a disability and has not attained maximum medical improvement.
8. 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.

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9. Pursuant to Tex. Lab. Code § 408.0041(f), the insurance carrier must pay benefits based on the opinion of the DD during any pending dispute.
10. Pursuant to 28 Tex. Admin. Code § 127.10(i), the insurance carrier must pay all benefits in accordance with the DD report for the issues in dispute no later than five days after receiving the report.
11. Respondent violated Tex. Lab. Code §§ 408.0041(f); 409.023; 415.002(a)(16), (20), and (22); and 28 Tex. Admin. Code § 127.10(i) by failing to timely pay accrued income benefits in accordance with the DD report no later than five days after receiving the report.

Failure to Timely Pay Benefits Based on an Adjusted AWW

12. Pursuant to § _____ in the absence of a properly completed wage statement, the carrier shall calculate the correct wage by using available wage information in a manner which is fair, just, and reasonable, and

which involves a methodology that allows the closest approximation of a calculation based upon a 13 week average as required by DWC rules.

13. Pursuant to 28 Tex. Admin. Code § 128.2(d), upon receipt of a properly completed wage statement the carrier shall recalculate the AWW in accordance with the applicable rule(s).
14. Pursuant to 28 Tex. Admin. Code § 128.1(e), if an insurance carrier determines or is notified that the employee's AWW is different than what the insurance carrier had previously determined, the insurance carrier shall adjust the AWW and begin payment of benefits on the next payment due and within seven days following the date the insurance carrier received the new information regarding the AWW.
15. Respondent violated Tex. Lab. Code §§ 408.081; 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 128.1(e) by failing to adjust the AWW and begin payment of benefits based upon the adjusted AWW.

Order

It is ordered that AIU Insurance Company must pay an administrative penalty of \$15,500 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:



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