

No. 2018-5532

**OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF INSURANCE**

Date: MAY 29 2018

Subject Considered: TIME INSURANCE COMPANY
P.O. Box 3050
Milwaukee, WI 53201-3050

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 14967

General remarks and official action taken:

The subject of this order is whether disciplinary action should be taken against Time Insurance Company (Time).

FINDINGS OF FACT

1. On July 20, 1965, the TDI issued Time life, health, and accident license no. 83040.
2. TDI completed a targeted market conduct examination of Time for the period from January 1, 2015, through December 31, 2015. TDI reviewed Time's claims practices and consumer complaints and inquiries for its accident and health lines of business.
3. TDI's review of a random sample of Time's claims files indicated that Time had not paid claims timely, had not paid penalties and interest it owed to institutional and noninstitutional preferred providers, and had not paid penalties and interest it owed to the Texas Health Insurance Pool (Pool) until its dissolution and after the Pool's dissolution to TDI, in accordance with the prompt payment laws.
4. As a result of TDI's review of 2015 individual and small group medical claims sampled during the exam, Time made a total of \$21,703 in penalty payments to noninstitutional preferred providers, \$2,771 in penalty and interest payments to institutional preferred providers, and \$2,919 in penalty and interest payments to TDI.
5. In June 2016, Time did a complete review of its 2015 individual and small group medical claims and made an additional \$483,971 in outstanding penalty and interest payments to 543 institutional and noninstitutional preferred providers, and \$164,129 in penalties and interest to TDI.
6. On July 20, 2017, Time agreed to the findings in TDI's exam report without comment.

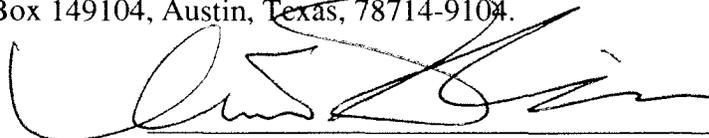
7. Time has not filed its second and third quarter 2017 claims payment reports with TDI.

CONCLUSIONS OF LAW

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 31.002, 82.051-82.056, 84.021-84.022, §§ 1301.101 – 1301.138; 28 TEX. ADMIN. CODE §§ 21.2801-21.2826; and TEX. GOV'T CODE §§ 2001.051 – 2001.178.
2. The commissioner has authority to informally dispose of this matter as set forth under TEX. GOV'T CODE § 2001.056; TEX. INS. CODE §§ 82.055 and 36.104; and 28 TEX. ADMIN. CODE § 1.47.
3. Time 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 intention to institute disciplinary action, notice of hearing, a public hearing, a proposal for decision, rehearing by the commissioner, and judicial review.
4. Pursuant to TEX. INS. CODE § 82.055(b), Time agrees to this consent order with the express reservation that it does not admit to a violation of any provision of the Insurance Code or rule or regulation of TDI and Time maintains the existence of any violation is in dispute.
5. Time violated TEX. INS. CODE § 1301.137 and 28 TEX. ADMIN. CODE § 21.2815 because it did not timely pay institutional and noninstitutional preferred providers, and TDI the contracted rate it owed on claims plus late paid claim penalties and interest.
6. Time violated TEX. INS. CODE § 1301.137 and 28 TEX. ADMIN. CODE § 21.2821 by failing to submit timely and accurate quarterly claims payment information to TDI.

It is ordered that Time Insurance Company immediately file its past due 2017 quarterly reports and file accurate quarterly claims payment information with TDI in accordance with 28 TEX. ADMIN. CODE § 21.2821.

It is ordered that Time Insurance Company pay an administrative penalty of \$125,000 within 30 days from the date of this Order. The administrative penalty must be paid by company check, cashier's check, or money order made payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: Enforcement Section, Legal and Enforcement Division 60851, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



Kent C. Sullivan
Commissioner of Insurance

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APROVED AS TO FORM AND CONTENT:

A handwritten signature in cursive script, reading "Jeannie Ricketts", is written over a horizontal line.

Jeannie Ricketts
Staff Attorney, Enforcement Section
Texas Department of Insurance

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AFFIDAVIT

STATE OF FLORIDA §
§
COUNTY OF MIAMI-DADE §

Before me, the undersigned authority, personally appeared the affiant, who being by me duly sworn, deposed as follows:

"My name is Julia Mercedes Hix. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of Vice President, and am the authorized representative of Time Insurance Company. I am duly authorized by said organization to execute this statement.

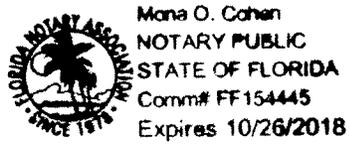
Time Insurance Company waives rights provided by the Texas Insurance Code and other applicable laws, and acknowledges the jurisdiction of the Texas commissioner of insurance.

Time Insurance Company is voluntarily entering into this consent order. Time Insurance Company consents to the issuance and service of this consent order."

Julia Mercedes Hix
Affiant

SWORN TO AND SUBSCRIBED before me on March 1, 2018.

(NOTARY SEAL)



Mona O. Cohen
Signature of Notary Public