

No. 2016-4727

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

Date: OCT 12 2016

Subject Considered:

COMPBENEFITS INSURANCE COMPANY
500 West Main Street
Louisville, KY 40202

CONSENT ORDER
TDI ENFORCEMENT FILE NO. 10731

General remarks and official action taken:

The commissioner of insurance considers whether disciplinary action should be taken against Compbenefits Insurance Company (Compbenefits).

WAIVER

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

FINDINGS OF FACT

1. On January 30, 1985, TDI issued Compbenefits life accident health license no. 5980.
2. In accordance with 28 TAC § 21.2821, Compbenefits is required to submit quarterly claims payment information, including the number of clean claims received from institutional and noninstitutional providers.
3. In 2015, Compbenefits timely submitted quarterly prompt payment reports. For Q2, Q3, and Q4 Compbenefits reported "zero" clean claims received.
4. On October 16, 2015, the MCQA office sent a warning letter to Compbenefits advising them of prompt pay insurance code violations and requested that Compbenefits file corrected information.
5. On November 13, 2015, email correspondence was sent to Compbenefits noting that the department had failed to receive corrected information. MCQA never received a response to this email.

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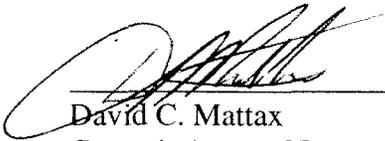
Clean Claims Reporting Violation

6. Compbenefits cooperated with TDI in its investigation and resolution of this matter and changed its processes for reporting the number of clean claims it receives.
7. On February 23, 2016, Compbenefits correctly reported the number of clean claims filed for 2015 Quarters 2, 3, and 4.
8. Compbenefits submitted Quarter 1, 2016, clean claims data that is in compliance with the prompt pay statutes and rules.

CONCLUSIONS OF LAW

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE §§ 31.002; 82.051-82.055, 84.021-84.022, and 1301.101-1301.139; 28 TEX. ADMIN. CODE § 21.2821; and TEX. GOV'T CODE §§ 2001.051-2001.178.
2. The commissioner has authority to informally dispose of this matter under TEX. GOV'T CODE § 2001.056, TEX. INS. CODE §§ 82.055 and 36.104, and 28 TEX. ADMIN. CODE § 1.47.
3. Compbenefits violated 28 TEX. ADMIN. CODE §§ 21.2821(c)(3)-(4) by reporting zeros in the clean claims received fields of its prompt pay reports

The commissioner orders Compbenefits Insurance Company to pay an administrative penalty of \$25,000 within 30 days of 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, Division 40111, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



David C. Mattax
Commissioner of Insurance

Approved as to Form and Content:



Beverly Rosendahl, Staff Attorney
Enforcement Section, Compliance Division
Texas Department of Insurance

