

No. 2025-9482

**Official Order
of the
Texas Commissioner of Insurance**

Date: 8/22/2025

Subject Considered:

Celtic Insurance Company
200 E. Randolph St., Ste. 3600
Chicago, IL 60601

Consent Order
TDI Enforcement File No. 36827

General remarks and official action taken:

This is a consent order with Celtic Insurance Company (Celtic), which has failed to comply with multiple independent dispute resolution requirements. Celtic has agreed to pay a \$550,000 administrative penalty and implement a corrective action plan.

Waiver

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

Findings of Fact

1. Celtic holds a certificate of authority to act as a life, accident, or health insurer.
2. In 2019, the Texas Legislature passed Senate Bill 1264, which prohibits balance billing (or surprise billing) for most out-of-network health insurance claims. SB 1264 also created a mediation and arbitration system for health insurers and HMOs to settle balance bills with healthcare providers.

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3. TDI adopted rules and established an independent dispute resolution (IDR) portal to implement this legislation. Health insurance claims on or after January 1, 2020, were subject to SB 1264.
4. Health insurers and HMOs began to use TDI's IDR portal in 2020. The portal's volume of claims steadily grew and most carriers began handling hundreds or thousands of IDR matters on a monthly basis beginning in 2021-2022.
5. Celtic struggled to keep up with its IDR requests in 2024 and 2025. Celtic failed to meet multiple statutory and rule-based timelines for a significant portion of its IDR requests.
6. A Provider group complained to TDI that Celtic summarily denied several thousand claims in mid- to late-2024.
 - a. Celtic's claims documents stated that because the provider group was out-of-network, Celtic denied the claims and made no payments. However, the services provided were covered by Celtic's policies.
 - b. Celtic's denial effectively rendered the claims ineligible for IDR. Celtic paid the claims after TDI investigated the complaint.
7. Multiple other providers communicated to TDI that Celtic denied IDR-eligibility for claims that were, indeed, eligible for IDR.
8. Multiple mediators complained to TDI that Celtic would not schedule mediations for several months in late 2024, citing capacity.
9. TDI staff identified and received multiple complaints alleging Celtic's bad faith participation in the IDR process and Celtic's failure to:
 - a. provide information that the mediator or arbitrator believes is necessary to facilitate a decision more than 500 times;
 - b. pay or timely pay a mediator or arbitrator more than 800 hundred times; and
 - c. pay or timely enter payment information after settlement more than 800 times.
10. Celtic did not timely enter required information into the IDR portal or respond to TDI when contacted about addressing these issues.

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11. Celtic represents to TDI that it will achieve full compliance with IDR requirements by October 1, 2025, including:
 - a. timely participation in all informal settlement teleconferences and entering required information into the IDR portal;
 - b. making timely payments to all mediators or arbitrators; and
 - c. entering timely payment information after settlement.
12. Celtic represents that it will continue to implement additional controls and fully monitor its IDR process for full compliance. Celtic will timely alert TDI of any systemic or trending issues.

Conclusions of Law

1. The commissioner has jurisdiction over this matter pursuant to TEX. INS. CODE chs. 82, 84, and 1467; 28 TEX. ADMIN. CODE ch. 21; and TEX. GOV'T CODE §§ 2001.051–2001.178.
2. The commissioner has authority to dispose of this matter informally as set forth in TEX. GOV'T CODE § 2001.056 and TEX. INS. CODE §§ 36.104 and 82.055.
3. Celtic 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. Celtic violated TEX. INS. CODE §§ 541.060(a)(2) and 542.003(b)(4) by failing to effect a prompt, fair, and equitable settlement of a claim submitted in which liability has become reasonably clear.
5. Celtic violated TEX. INS. CODE § 541.060(a)(3) by failing to promptly provide to a policyholder a reasonable explanation of the basis in the policy for Celtic's denial of a claim.

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6. Celtic violated TEX. INS. CODE § 1467.055(i) by summarily disallowing a covered health care service provided by an out-of-network provider.
7. Celtic violated TEX. INS. CODE §§ 1467.054(d) and 1467.084 by not participating in an informal settlement teleconference not later than the 30th day after the date on which a person submits a request for mediation or arbitration.
8. Celtic violated 28 TEX. ADMIN. CODE § 21.5021(c) by not notifying TDI of the outcome of the informal settlement teleconference within 30 days of the date that the mediation or arbitration is requested or that the parties agreed to a settlement or extended the deadline.
9. Celtic violated 28 TEX. ADMIN. CODE §§ 21.5011(d)(2) and 21.5021(d)(2) by failing to pay the nonrefundable mediator or arbitrator fee to the mediator or arbitrator when the mediator or arbitrator is assigned.
10. Celtic violated TEX. INS. CODE § 1467.101(a)(2) by not providing information the arbitrator or mediator believes is necessary to facilitate a decision or agreement.
11. Celtic violated TEX. INS. CODE § 1467.089(d) by failing to pay any additional amount necessary to satisfy a binding arbitration award by the 30th day after the arbitrator's decision.

Order

It is ordered that Celtic Insurance Company pay an administrative penalty of \$550,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

Signed by:

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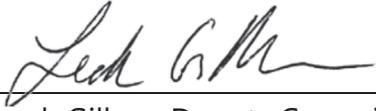
Cassie Brown
Commissioner of Insurance

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Recommended and reviewed by:

A handwritten signature in black ink, appearing to read "Leah Gillum", written over a horizontal line.

Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division

Affidavit

STATE OF Missouri §

§

COUNTY OF St. Louis §

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

"My name is KEVIN COUNIHAN 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 CEO AMBETTER HEALTH and am the authorized representative of Celtic Insurance Company. I am duly authorized by said organization to execute this statement.

Celtic Insurance Company has knowingly and voluntarily entered into the foregoing consent order and agrees with and consents to the issuance and service of the same by the commissioner of insurance of the state of Texas."

[Handwritten Signature]
Affiant

SWORN TO AND SUBSCRIBED before me on Aug 7, 2025.

(NOTARY SEAL)

[Handwritten Signature]
Signature of Notary Public

JULIA A. GREGORY
Printed Name of Notary Public

