

No. 2026-9941

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

Date: 05/21/2026

Subject Considered:

Imperial Insurance Companies, Inc.
1100 E. Green St.
Pasadena, CA 91106

Consent Order
TDI Enforcement File No. 36670

General remarks and official action taken:

This is a consent order with Imperial Insurance Companies, Inc. (Imperial). For more than two years, Imperial directly engaged in utilization review (UR) as the payor for its Texas members without holding a utilization review agent (URA) registration. Imperial also failed to give the commissioner prior notice of two loan transactions. Imperial is ordered to cease and desist acting outside the scope of its authorizations, and must pay an administrative penalty of \$160,000.

Waiver

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

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Findings of Fact

Background

1. On April 13, 2018, in Commissioner Order No. 2018-5462, Imperial was granted a certificate of authority by consent to operate as an accident and health insurer under its former name, Imperial Insurance Company of Texas, Inc.
2. On September 14, 2021, in Commissioner's Order No. 2021-6985, the commissioner concluded that for three years Imperial acted as an unauthorized health maintenance organization (HMO), outside the scope of its accident and health authority, and misrepresented itself as an HMO to Texas consumers, health care providers, the federal government, and department staff. That order also:
 - a. corrected a clerical error *nunc pro tunc* in Order No. 2018-5462;
 - b. permanently suspended Imperial's authority to act as an accident and health insurer;
 - c. granted Imperial's application to expand its authority to operate as an HMO subject to specified terms and conditions; and,
 - d. assessed an administrative penalty of \$500,000.
3. On August 24, 2022, the Texas Department of Insurance (TDI) issued Imperial a third party administrator (TPA) certificate of authority.
4. Imperial holds no other licenses, registrations, certifications, or authority in Texas.

Unauthorized Utilization Review

5. Under the Texas Insurance Code and adopted rules, a person acting as or holding itself out as a URA must be either certified or registered.
6. In January 2025, TDI began a desk audit of adverse determinations issued by Imperial between July 1 and December 31, 2024.
7. Documentation provided to TDI during the audit showed that Imperial was performing UR for its members as the payor. During the audit, Imperial represented that it did not issue any adverse determinations during the audit period.

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8. On February 11, 13, and 19, 2025, TDI attempted to contact two different Imperial representatives to confirm and clarify whether it was performing its own UR, or if it had delegated UR to another entity, but neither representative responded.
9. On February 27, 2025, a third representative of Imperial admitted it reviewed preauthorization requests and auto-adjudicated claims, including pre-authorization approvals and payment of claims.
10. At that time, Imperial also represented to TDI that it:
 - a. only served Medicare Advantage members from 2019 through March 31, 2023, under a capitated agreement that included UR with Amerigroup;¹
 - b. was operating on the Exchange, offering individual coverage in Texas since January 1, 2023, increasing membership from 25 members in 2023, to 5,000 members in 2025;
 - c. issued two adverse determinations since January 1, 2023;
 - d. historically delegated UR for like specialty and peer-to-peer discussions to Advanced Medical Reviews (AMR), a TDI-certified URA;
 - e. effective February 25, 2025, it contracted with a TDI-certified URA, Medical Review Institute of America, LLC (MRIoA), to perform UR, specifically peer-to-peer discussions, adverse determinations, and appeals of adverse determinations; and,
 - f. intended to submit a URA registration application to TDI within two weeks.
11. In May 2025, Imperial informed TDI that effective April 1, 2025, Imperial contracted with a TDI-certified URA, MedWatch, LLC, to perform all UR for Imperial, other than the UR services being performed by the following TDI-certified URAs:
 - a. AMR;
 - b. MRIoA;
 - c. MedImpact Healthcare Systems, Inc., effective August 26, 2023, for prescription drug coverage;
 - d. Delta Dental Insurance Company, effective January 1, 2024, for pediatric dental coverage; and
 - e. New Directions Behavioral Health, LLC, D.B.A. Lucet, effective February 10, 2024, for behavioral health services.

¹ Medicare Advantage is not subject to Texas UR requirements.

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12. For more than two years and without holding a URA registration, Imperial performed prospective UR as the payor for its own members.

Subsequent Events

13. Imperial represents that after it delegated all UR functions for its individual exchange plans to MRloA and MedWatch, LLC, it completely stopped performing UR as a payor for those members.
14. Imperial represents that MRloA reviewed the two adverse determinations issued by Imperial, and upheld them without additional action.
15. Imperial later identified eight more adverse determinations Imperial issued in connection with its Texas individual exchange plans. Imperial represents that MRloA also reviewed those eight adverse determinations and upheld them without additional action.
16. Imperial additionally represents that its individual exchange plan membership increased to approximately 25,000 members after the 2026 open enrollment period closed, and that going forward, those members will be served by an affiliate, Imperial Management Services Group LLC dba Imperial Management Administrators Services (IMAS), which was granted a URA certification by TDI on January 29, 2026.

Failure to Notify the Commissioner Before Loan Issuance

17. Imperial is a domestic insurer and part of an insurance holding company system.
18. A domestic insurer is required to provide the commissioner with written notice of the insurer's intent to enter into specified transactions, including loans or other extensions of credit, at least 30 days before the date of the proposed transaction. During the notice period, the commissioner has authority to disapprove the proposed transaction.
19. On April 28, 2025, Imperial submitted to TDI two separate Form D applications (forms to give prior notice of a transaction) for two loans it had already given to its affiliate, Imperial Health Plan of the Southwest, Inc., specifically:

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- a. a promissory note issued on December 19, 2024, which was repaid in full on January 3, 2025; and
 - b. a surplus note effective December 31, 2024, and funded in February 2025.
20. Imperial failed to give the commissioner advance written notification of its intent to enter into two loan transactions, giving retroactive notice for transactions that had already taken place.

Conclusions of Law

1. The commissioner has jurisdiction over this matter under TEX. INS. CODE §§ 82.051–82.055, 84.021–84.044, 101.001 *et seq.*, 801.051–801.054, 823.101–823.106, 843.071–843.072, 4151.051, 4151.056, 4201.057, 4201.101–4201.108, and 4201.601–4201.603.
2. The commissioner has the authority to informally dispose of this matter as set forth in TEX. GOV'T CODE § 2001.056, and TEX. INS. CODE §§ 36.104 and 82.055.
3. Imperial 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. Imperial violated 28 TEX. ADMIN. CODE § 19.1704 by engaging in UR as the payor for its Texas members, without holding a URA registration.
5. Imperial violated TEX. INS. CODE § 823.103(a)(1) and (c) by failing to timely give the commissioner written notice of Imperial's intent to enter into two separate loan transactions before the 30th day preceding the proposed transactions.

Order

It is ordered that Imperial Insurance Companies, Inc. must cease and desist from:

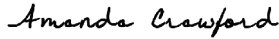
- a. acting as or holding itself out as a URA without holding the necessary registration or certification; and

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- b. engaging in any other insurance acts in Texas that are outside the scope of its authorizations, unless those acts are statutorily excepted or exempt from licensure, registration, certification, or authority.

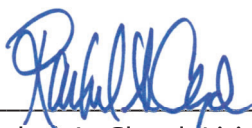
It is further ordered that Imperial Insurance Companies, Inc. pay an administrative penalty of \$160,000 within 30 days from the date of this order. The administrative penalty must be paid as instructed in the invoice, which the department will send after entry of this order.

Signed by:

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Amanda Crawford
Commissioner of Insurance

Recommended and reviewed by:



Leah Gillum, Deputy Commissioner
Fraud and Enforcement Division



Rachel A. Cloyd, Litigation Director
Enforcement

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Affidavit

STATE OF Nevada §

COUNTY OF Clark §

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

"My name is Paveljit Singh Bindra. 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 CEO and am the authorized representative of Imperial Insurance Companies, Inc. I am duly authorized by said organization to execute this statement.

Imperial Insurance Companies, Inc. 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."

Paveljit Singh Bindra

Affiant

SWORN TO AND SUBSCRIBED before me on 7th May, 2026.

(NOTARY SEAL)



[Signature]
Signature of Notary Public

Natasha S Samuels
Printed Name of Notary Public