

No. **2026-9721**

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

Date: 1/7/2026

Subject Considered:

Insurance Company of the West
15025 Innovation Drive
San Diego, California 92128

Consent Order
DWC Enforcement File Nos. 37759 & 37760

General remarks and official action taken:

This is a consent order with Insurance Company of the West (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 "high" tier in the 2020 Performance Based Oversight (PBO) assessment, and as "average" tier in the 2022 and 2024 PBO assessments.

Improperly Changing a Medical Billing Code and Reimbursing a Medical Bill at a Lower Code's Value

File No. 37759

3. On [REDACTED], a Designated Doctor (DD) performed a DD exam on an injured employee. [REDACTED], Respondent received a completed medical bill for the exam for \$1,476 from the DD.
4. On [REDACTED], Respondent issued an explanation of benefits (EOB) to the DD. In this EOB, Respondent improperly changed a billing code on the medical bill and recommended reimbursement for a lower code's value, such that the DD would be paid \$835.59 instead of the owed \$1,476.
5. On [REDACTED], Respondent paid \$835.59 to the DD, leaving a balance of \$640.41.

Failure to Comply with a DWC Order

File No. 37760

6. On [REDACTED], Respondent received Medical Fee Dispute Resolution (MFDR) Findings and Decision Order No. M4-25-1027-01.
7. This order required Respondent to pay the remaining balance of \$640.41 plus accrued interest by [REDACTED], for the DD exam described in File No. 37759.
8. On [REDACTED], Respondent partially complied with the order by paying \$640.41.
9. However, Respondent did not come into full compliance with the order until [REDACTED], by paying \$12.68 in accrued interest, which was 39 days late.

Assessment of Sanction

1. Failure to timely comply with DWC orders for payment of medical bills is not cost-effective, increases the likelihood of disputes, and causes economic harm. Further,

non-compliance with a DWC order interferes with DWC's ability to regulate and diminishes faith in the Texas workers' compensation system.

2. Failure to promptly and accurately pay medical bills harms medical providers economically, increases disputes and exhausts administrative resources in the workers' compensation system. It is a serious violation to fail to accurately pay a medical bill involving DD services, which do not require preauthorization and which serve an essential function in the Texas workers' compensation system.
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 violation, including the amount at issue, the involvement of a DD, and that medical benefits were paid inaccurately and late. Further, violation of a DWC order is a priority violation under Tex. Lab. Code § 402.0235;

- b. Respondent's history of similar administrative violations, including one consent order and one warning letter involving late medical bill payments;
 - c. the penalty necessary to deter future violations; and
 - d. the economic benefit to Respondent resulting from the prohibited act.
5. DWC is aware of no mitigating factors pursuant to Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).
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, 414.002, and 414.003.
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 § 413.055, the commissioner may enter an interlocutory order for the payment of all or part of medical benefits. The order may address accrued benefits, future benefits, or both accrued benefits and future benefits.
5. Pursuant to Tex. Lab. Code § 415.021, the commissioner may assess an administrative penalty against a person who commits an administrative violation.

6. 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.
7. 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.

Improperly Changing a Medical Billing Code and Reimbursing a Medical Bill at a Lower Code's Value

8. Pursuant to Tex. Lab. Code § 413.015, an insurance carrier shall make appropriate payment of charges for medical services provided under this subtitle.
9. Pursuant to Texas Admin. Code § 133.240(c), an insurance carrier shall not change a billing code on a medical bill or reimburse health care at another billing code's value.
10. Respondent violated Tex. Lab. Code §§ 413.015; 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 133.240(c) by improperly changing a medical billing code and reimbursing a medical bill at a lower code's value.


Failure to Comply with a DWC Order

11. Pursuant to Tex. Lab. Code §§ 415.0035(e) and 415.021(a), an insurance carrier commits an administrative violation if it violates, fails to comply with, or refuses to comply with a DWC order.
12. Pursuant to Tex. Lab. Code § 415.002(a)(17), an insurance carrier or its representative commits an administrative violation if it fails to pay an order awarding benefits.
13. Respondent violated Tex. Lab. Code §§ 415.002(a)(17) and (22); 415.021(a); and 415.0035(e) by failing to comply with a MFDR order.

Order


It is ordered that Insurance Company of the West must pay an administrative penalty of \$1,250 within 30 days from the date the Commissioner signs the order.

After receiving an invoice, Insurance Company of the West 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:



Connor Ambrosini
Staff Attorney, Enforcement
Compliance and Investigations
Division of Workers' Compensation

Unsworn Declaration

STATE OF Florida §
§
COUNTY OF Seminole §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Debbie Yakita. I hold the position of Sr. Claims Manager and am the authorized representative of Insurance Company of the West. My business address is: 605 Crescent Executive Court, Ste 200 Lake Mary, Seminole, FL, 32746.
(Street) (City) (County) (State) (ZIP Code)

I am executing this declaration as part of my assigned duties and responsibilities. I declare under penalty of perjury that the facts stated in this document are true and correct.

Debbie Yakita
Declarant

Executed on 12/9/2025, 2025.