

No. **2026-9744**

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

Date: 1/16/2026

Subject Considered:

LUBA Casualty Insurance Company
2351 Energy Drive, Suite 2000
Baton Rouge, Louisiana 70808-2600

Consent Order
DWC Enforcement File No. 38013

General remarks and official action taken:

This is a consent order with LUBA Casualty Insurance Company (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 workers' compensation/employers' liability insurance in Texas.
2. Respondent was not selected to be tiered in any years' Performance Based Oversight (PBO) assessments.

DWC Audit No. MBP-25-206

3. On [REDACTED], DWC initiated DWC Audit No. MBP-25-206 to determine whether Respondent complied with the Texas Labor Code and related rules on the timely processing of initial medical bills and the timely and accurate reporting of electronic data interchange (EDI) medical bill payment data to DWC.
4. The audit examined initial medical bills submitted to DWC between [REDACTED], and [REDACTED]. DWC identified 100 bills for audit. Two bills failed to meet selection criteria and were dropped from the audit sample. The remaining 98 bills were reviewed to determine Respondent's compliance.
5. The audit focused on the timely and accurate processing of initial medical bills and EDI reporting. The EDI portion of the audit focused on the timely reporting of medical bill payment data and seven data elements reported to DWC (Rendering Line Provider National Provider Identifier Number (NPI), Rendering Line Provider State License Number, Referring Provider Last/Group Name, Referring Provider State License Number, Billing Provider Federal Employer Identification Number, Date Bill Received, and Date Bill Paid or Denied).

Failure to Timely Pay Medical Bills

6. Respondent failed to timely process 15% of the initial medical bills within 45 days of receiving the bill (15 out of 98).
7. Specifically, Respondent issued payments to health care providers less than 30 days late in eight instances and 30 or more days late in seven instances. Of those 30 or more days late, three were more than 90 days late.

Failure to Timely or Accurately Report EDI Medical Bill Payment Data to DWC

8. Respondent failed to accurately report the Rendering Line Provider State License Number for 2% of the examined bills (2 out of 98).
9. Respondent failed to accurately report the Referring Provider Last/Group Name for 2% of the examined bills (2 out of 98).

10. Respondent failed to accurately report the Referring Provider State License Number for 4% of the examined bills (4 out of 98).
11. Respondent failed to accurately report the Date Bill Received for 33% of the examined bills (32 out of 98).
12. Respondent failed to accurately report the Date Bill Paid or Denied for 55% of the examined payments (54 out of 98).

Assessment of Sanction

1. Prompt processing and payment of medical bills is imperative to DWC's goal of ensuring that injured employees have access to prompt, high-quality medical care.
2. DWC relies on medical bill payment information insurance carriers submit for many purposes, including, but not limited to, providing required information and reports to the Legislature; ensuring that health care providers and insurance carriers comply with DWC's medical policies and fee guidelines; creating medical fee guidelines; adopting treatment and return-to-work guidelines; and detecting patterns and practices in medical charges, payments, and protocols.
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 EDI 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 violations are serious, involving a 15% non-compliance rate for timely payments, EDI scores between 2 and 55% noncompliance, and three bills paid more than 90 days late;
 - b. Respondent has a prior consent order involving a DWC medical bill audit (Enforcement File No. 25911);
 - c. a penalty is necessary to deter future violations; and
 - d. Respondent has a heightened awareness of its legal duty to comply with the Texas Workers' Compensation Act and DWC rules.
5. As a matter of justice, DWC considered as mitigating the fact that this matter results from a DWC audit and not a system participant complaint 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, and 414.002.
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 § 415.021, the commissioner may assess an administrative penalty against a person who commits an administrative violation.
5. Pursuant to Tex. Lab. Code § 415.002(a)(20) and (22), an insurance carrier or its representative commits an administrative violation each time it violates a DWC rule or a provision of the Texas Workers' Compensation Act.

Failure to Timely Pay Medical Bills

6. Pursuant to Tex. Lab. Code § 408.027 and 28 Tex. Admin. Code § 133.240, insurance carriers are required to timely process and take final action on a properly completed medical bill within 45 days of receiving the bill.
7. Respondent violated Tex. Lab. Code §§ 408.027; 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 133.240 each time it failed to timely process a properly completed medical bill within 45 days of receiving the bill.

Failure to Timely or Accurately Report EDI Medical Bill Payment Data to DWC

8. Pursuant to 28 Tex. Admin. Code § 134.804(d), insurance carriers are responsible for timely and accurately submitting medical EDI records to DWC.
9. Respondent violated Tex. Lab. Code § 415.002(a)(20) and 28 Tex. Admin. Code § 134.804(d) each time it failed to submit timely and accurate medical EDI to DWC.

Order

It is ordered that LUBA Casualty Insurance Company must pay a \$6,800 administrative penalty within 30 days from the date the Commissioner signs the order.

After receiving an invoice, LUBA Casualty Insurance Company 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, PO Box 12030, Austin, Texas 78711-2030.



Jeff Nelson
Commissioner
TDI, Division of Workers' Compensation

Approved Form and Content:



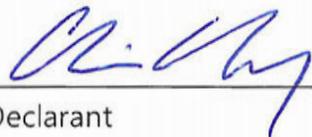
Alberto Garcia
Staff Attorney, Enforcement
Compliance and Investigations
TDI, Division of Workers' Compensation

Unsworn Declaration

STATE OF LOUISIANA §
PARISH §
COUNTY OF EAST BATON ROUGE §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is CHRIS KENNEDY. I hold the position of VP, CLAIMS MGR and am the authorized representative of LUBA Casualty Insurance Company. My business address is: 2351 ENERGY DR, STE 2000, BATON ROUGE, EBR, LA, 70808.
(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.


Declarant

Executed on DECEMBER 22, 2025.