

2019 6155

No. _____

OFFICIAL ORDER
of the
TEXAS COMMISSIONER OF WORKERS' COMPENSATION

Date: **NOV 22 2019**

Subject Considered:

LIBERTY MUTUAL FIRE INSURANCE COMPANY
175 Berkeley Street
Boston, Massachusetts 02116-5066

CONSENT ORDER
TDI-DWC ENFORCEMENT FILE NO. 20913

General remarks and official action taken:

The commissioner of workers' compensation (commissioner) considers whether disciplinary action should be taken against Liberty Mutual Fire Company (Liberty Mutual Fire).

WAIVER

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

FINDINGS OF FACT

The commissioner makes the following findings of fact:

1. Liberty Mutual Fire 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 including workers' compensation/employers' liability insurance in Texas.
2. Liberty Mutual Fire was classified as "average" tier in the 2007, 2009, 2010, 2012, 2014, 2016, and 2018 Performance Based Oversight (PBO) assessments.

**FAILURE TO TIMELY PAY ATTORNEY FEES
ORDERED BY DWC**

3. On _____, Liberty Mutual Fire received orders for attorney fees numbered _____. The Texas Department of Insurance, Division of Workers' Compensation (DWC) ordered Liberty Mutual Fire to pay attorney fees in the amount of 25% of each income benefit payment to the injured employee.

4. On [REDACTED], Liberty Mutual Fire issued a check to the injured employee for indemnity benefits; therefore, Liberty Mutual Fire was required to make a payment of attorney fees on the same date. Liberty Mutual Fire issued a payment to the attorney 65 days late on [REDACTED].

ASSESSMENT OF SANCTION

5. Failure to timely pay attorney fees ordered by DWC makes it more difficult for attorneys to provide adequate legal services to injured employees and is harmful to the Texas workers' compensation system.
6. In assessing the sanction for this case, DWC appropriately and fully considered the following factors set forth 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 demonstrated good faith of the violator, including actions taken to rectify the consequences of the prohibited act;
 - the penalty necessary to deter future violations;
 - whether the administrative violation has negative impact on the delivery of benefits to an injured employee;
 - the history of compliance with electronic data interchange requirements;
 - other matters that justice may require, including but not limited to:
 - PBO assessments;
 - the promptness and earnestness of 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; and
 - to the extent reasonable, the economic benefit resulting from the prohibited act.
7. In assessing the sanction for this case, DWC found the following factors set forth in TEX. LAB. CODE § 415.021(c) and 28 TEX. ADMIN. CODE § 180.26(e) to be aggravating: the seriousness of the violation; the history and extent of previous administrative violations; and the penalty necessary to deter future violations.
8. In assessing the sanction for this case, DWC found the following factors set forth in TEX. LAB. CODE § 415.021(c) and 28 TEX. ADMIN. CODE § 180.26(e) to be mitigating: the demonstrated good faith of the violator, including actions taken to rectify the consequences of the prohibited act, because Liberty Mutual Fire has instituted new procedural and

communication processes to ensure facts are double checked to limit the likelihood of errors occurring.

9. Liberty Mutual Fire acknowledges that it has communicated with DWC regarding the relevant statutes and rules violated; the facts establishing that the administrative violation occurred; and the appropriateness of the proposed sanction, including how DWC considered the factors under TEX. LAB. CODE § 415.021(c) and 28 TEX. ADMIN. CODE § 180.26(e).
10. Liberty Mutual Fire acknowledges that, in assessing the sanction, DWC considered the factors set forth in TEX. LAB. CODE § 415.021(c) and 28 TEX. ADMIN. CODE § 180.26(e).

CONCLUSIONS OF LAW

The commissioner makes the following conclusions of law:

1. The commissioner has jurisdiction over this matter pursuant to TEX. LAB. CODE §§ 402.001, 402.00111, 402.00114, 402.00116, 402.00128, 414.002, and 414.003.
2. The commissioner has authority to informally dispose of this matter as set forth under TEX. GOV'T CODE § 2001.056, TEX. LAB. CODE § 402.00128(b)(7), and 28 TEX. ADMIN. CODE § 180.26(h).
3. Pursuant to TEX. LAB. CODE § 415.021, the commissioner may assess an administrative penalty against a person who commits an administrative violation.
4. 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.
5. Pursuant to TEX. LAB. CODE § 415.002(a)(22), an insurance carrier or its representative commits an administrative violation each time it violates a provision of the Texas Workers' Compensation Act.
6. Pursuant to 28 TEX. ADMIN. CODE § 152.1(c), insurance carriers are required to pay attorney fees ordered by DWC. The insurance carrier must begin payment out of the approved income benefits by mailing a check to the attorney within seven days after receiving the order and thereafter whenever income benefits are paid until the fee has been paid or income benefits cease.
7. 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.
8. Liberty Mutual Fire violated TEX. LAB. CODE §§ 415.002(a)(20) and (22), 415.0035(e), and 415.021(a), and 28 TEX. ADMIN. CODE § 152.1(c) when it failed to timely comply with DWC orders to pay attorney fees.

ORDER

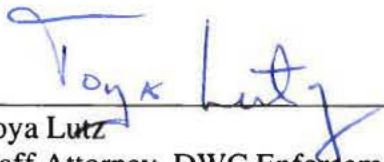
Liberty Mutual Fire Insurance Company is ORDERED to pay an administrative penalty of \$1,500 within 30 days from the date of this Order.

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: DWC Enforcement, MC 9999, P.O. Box 149104, Austin, Texas, 78714-9104.



Cassie Brown
Commissioner of Workers' Compensation

Approved as to Form and Content:



Toya Lutz
Staff Attorney, DWC Enforcement
Compliance and Investigations
Division of Workers' Compensation
Texas Department of Insurance

2019 6155

AFFIDAVIT

STATE OF Texas §
 §
COUNTY OF Collin §

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

"My name is Monica Reince. 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 Team Manager, and am the authorized representative of Liberty Mutual Fire Insurance Company. I am duly authorized by said organization to execute this statement.

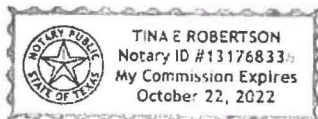
Liberty Mutual Fire Insurance Company waives rights provided by the Texas Labor Code and other applicable laws, and acknowledges the jurisdiction of the Texas commissioner of workers' compensation.

Liberty Mutual Fire Insurance Company is voluntarily entering into this consent order. Liberty Mutual Fire Insurance Company consents to the issuance and service of this consent order."

Monica Reince
Affiant

SWORN TO AND SUBSCRIBED before me on Oct 30, 2019.

(NOTARY SEAL)



Tina E. Robertson
Signature of Notary Public

Tina E. Robertson
Printed Name of Notary Public

Oct 22 2022
My Commission Expires

Confidential Information Redacted
Texas Labor Code §§402.083 & 402.092