

**No. 2023-7867**

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

**Date: 3/27/2023**

**Subject Considered:**

Hartford Casualty Insurance Co.  
One Hartford Plaza  
Hartford, Connecticut 06155

Consent Order  
DWC Enforcement File No. 30918 and 31356

**General remarks and official action taken:**

This is a consent order with Hartford Casualty Insurance Co. (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 classified as "poor" tier in the 2007 Performance Based Oversight (PBO) assessments. Respondent was classified as "average" tier in the 2009, 2014 2016, 2020, and 2022 PBO assessments. Respondent was classified as "high" tier in 2010, 2012, and 2018 PBO assessments.

Commissioner's Order  
Hartford Casualty Insurance Co.  
DWC Enforcement File No. 30918 and 31356  
Page 2 of 7

Failure to Timely Pay Attorney Fees Ordered by DWC

*File No. 30918*

3. Respondent received multiple DWC orders dated between [REDACTED] and [REDACTED] ordering Respondent to pay [REDACTED] in attorney fees through weekly payments consisting of 25% of an injured employee's indemnity payments.
4. On [REDACTED] Respondent issued a check to the injured employee for indemnity benefits. Respondent was required to pay the attorney, as ordered, in the amount of 25% of that indemnity payment, or [REDACTED]. Instead, Respondent erroneously paid the attorney [REDACTED]
5. Respondent subsequently issued two payments to the injured employee for the benefit periods of [REDACTED] and [REDACTED] to [REDACTED]. Respondent was required to pay 25% of each payment to the attorney pursuant to the DWC orders. Respondent failed to pay attorney fees for those pay periods.
6. On [REDACTED] Respondent complied with the orders 14 days late by paying \$ [REDACTED] to the attorney.

Failure to Timely Act on a Medical Bill

*File No. 31356*

7. On [REDACTED] a health care provider (HCP) rendered medical services to an injured employee. On [REDACTED] Respondent received a completed medical bill for [REDACTED] from the HCP.
8. Respondent was required to act on the bill within 45 days of receiving it. The deadline to act was [REDACTED]
9. On [REDACTED] Respondent issued an explanation of benefits to the HCP denying payment, which was 139 days late. However, on [REDACTED] Respondent issued payment in full.

### **Assessment of Sanction**

1. 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.
2. Failure to pay health benefits in a timely and cost-effective manner is harmful to injured employees and the Texas workers' compensation system. Prompt payment of medical bills is imperative to DWC's goal of ensuring that injured employees have access to prompt, high-quality medical care.
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: 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; and the penalty necessary to

Commissioner's Order  
Hartford Casualty Insurance Co.  
DWC Enforcement File No. 30918 and 31356  
Page 4 of 7

deter future violations. Specifically, DWC has issued three consent orders to Respondent involving four violations of DWC attorney's fees orders since 2020.

5. DWC found the following factors mitigating, pursuant to Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e): Respondent's demonstration of good faith, including actions it took to rectify the consequences of the prohibited act. Specifically, Respondent paid promptly upon its discovery of the missed attorney fee payments.
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 § 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.

Commissioner's Order  
Hartford Casualty Insurance Co.  
DWC Enforcement File No. 30918 and 31356  
Page 5 of 7

Failure to Timely Pay Attorney Fees Ordered by DWC

6. Pursuant to Tex. Lab. Code §§ 415.021(a) and 415.0035(e), an insurance carrier commits an administrative violation if it violates, fails to comply with, or refuses to comply with a DWC order.
7. 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. As the insurance carrier pays income benefits, it must pay attorney fees until the fees are completely paid or income benefits cease.
8. Respondent violated Tex. Lab. Code §§ 415.002(a)(20) and (22); 415.021(a); 415.0035(e); and 28 Tex. Admin. Code § 152.1(c) each time Respondent failed to timely comply with a DWC order to pay attorney fees.

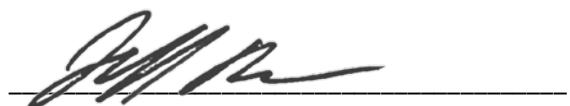
Failure to Timely Act on a Medical Bill

9. Pursuant to Tex. Lab. Code § 408.027 and 28 Tex. Admin. Code § 133.240, an insurance carrier is required to timely process and take final action on a completed medical bill within 45 days of receiving the bill.
10. Respondent violated Tex. Lab. Code §§ 408.027; 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 133.240 each time Respondent failed to pay, reduce, deny, or determine to audit a completed medical bill within 45 days of receiving the bill.

Commissioner's Order  
Hartford Casualty Insurance Co.  
DWC Enforcement File No. 30918 and 31356  
Page 6 of 7

**Order**

It is ordered that Hartford Casualty Insurance Co. must pay an administrative penalty of \$3,500 within 30 days from the date of this order. Hartford Casualty Insurance Co. must pay the administrative penalty by 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:



\_\_\_\_\_  
Kathleen Kern  
Staff Attorney, Enforcement  
Compliance and Investigations  
TDI, Division of Workers' Compensation

Commissioner's Order  
Hartford Casualty Insurance Co.  
DWC Enforcement File No. 30918 and 31356  
Page 7 of 7

**Unsworn Declaration**

**STATE OF CALIFORNIA**

**§**

**§**

**COUNTY OF SACRAMENTO**

**§**

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Julie Riddle. I hold the position of Assistant Director, Claim Compliance and am the authorized representative of Hartford Casualty Insurance Co. My business address is:  
4245 Meridian Parkwway, Suite 200, Aurora, Du Page, IL, 60504.

(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.

*Julie Riddle*

Declarant

Executed on March 16, 2023.