

No. 2021-6779

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

**Date:** 04-07-2021

**Subject Considered:**

Sentinel Insurance Company, Limited  
One Hartford Plaza T 17 81  
Hartford, Connecticut 06155

Consent Order  
DWC Enforcement File No. 26552

**General remarks and official action taken:**

This is a consent order with Sentinel Insurance Company, Limited. The commissioner of the Texas Department of Insurance, Division of Workers' Compensation (DWC) considers whether DWC should take disciplinary action against Sentinel Insurance.

**Waiver**

Sentinel Insurance acknowledges that the Texas Labor Code and other applicable laws provide certain rights. Sentinel Insurance 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. Sentinel Insurance 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. Sentinel Insurance was classified as "High" tier in the 2012 Performance Based Oversight (PBO) assessment and "Average" tier in the 2014, 2016, and 2018 PBO Assessments.

#### Failure to Timely Pay Underpayment of Income Benefits with Interest

3. On [REDACTED] the employer notified Sentinel Insurance that an injured employee's non-pecuniary wages in the amount of [REDACTED] per week were suspended on [REDACTED]. This resulted in an underpayment of temporary income benefits (TIBs) to the injured employee for the period of [REDACTED] [REDACTED], through [REDACTED].
4. Sentinel Insurance was required to pay the full amount of the underpayment with interest within seven days of the notification, which was by [REDACTED].
5. Sentinel Insurance issued payment for the underpayment on [REDACTED], which was 35 days late. Sentinel Insurance also issued interest on [REDACTED].

#### **Assessment of Sanction**

1. Failure to provide income benefits in a timely and cost-effective manner is harmful to injured employees and the Texas workers' compensation system.
2. 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.
3. 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 penalty necessary to deter future violations; and whether the administrative violation had a negative impact on the delivery of benefits to an injured employee.
  4. DWC found the following factors in TEX. LAB. CODE § 415.021(c) and 28 TEX. ADMIN. CODE § 180.26(e) to be mitigating: Promptness and earnestness in responding to DWC; diligence in communications with the employer and injured employee regarding the workers' compensation claim; third party delay preventing prompt action by Sentinel Insurance on the claim; and Sentinel Insurance issued a voluntary overpayment of TIBs to the injured employee.
  5. Sentinel Insurance acknowledges it communicated with DWC about the relevant statutes and rules it violated; the facts establish that the administrative violation occurred; and 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).
  6. Sentinel Insurance 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, 414.003, 415.002, and 415.021.
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)(7), and 28 TEX. ADMIN. CODE § 180.26(h).

3. Sentinel Insurance 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), an insurance carrier or its representative commits an administrative violation each time it violates a DWC rule.
6. 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.
7. Pursuant to 28 TEX. ADMIN. CODE § 126.15(b), if an insurance carrier determines that an underpayment of income benefits has occurred, the insurance carrier shall pay the full amount of the underpayment with interest on accrued but unpaid benefits within seven days of the determination.
8. Sentinel Insurance violated TEX. LAB. CODE §§ 409.021, 415.002(a)(20), and 415.002(a)(22) when it failed to pay the full amount of the underpayment with interest on accrued but unpaid benefits within seven days of the determination.
9. Pursuant to TEX. LAB. CODE §§ 408.081, 408.082, and 409.021, and 28 TEX. ADMIN. CODE §§ 124.3 and 124.7 an insurance carrier is required to initiate payment of TIBs no later than the 15th day after it receives written notice of the injury or the seventh day after the accrual date, unless the insurance carrier notifies DWC and the injured employee in writing of its refusal to pay.
10. Sentinel Insurance violated TEX. LAB. CODE §§ 409.021, 415.002(a)(20), and 415.002(a)(22) each time it failed to timely initiate payment of TIBs.

**Order**

It is ordered that Sentinel Insurance Company, Limited must pay an administrative penalty of \$4,000 within 30 days from the date of this order. Sentinel Insurance Company, Limited 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.



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Cassie Brown  
Commissioner of Workers' Compensation

Approved Form and Content:



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Mackenzie Arthur  
Staff Attorney, Enforcement  
Compliance and Investigations  
Division of Workers' Compensation

**Affidavit**

**STATE OF CONNECTICUT** §

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**COUNTY OF TOLLAND** §

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

"My name is Stephanie Raymond. 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 Assistant Vice President and am the authorized representative of Sentinel Insurance Company, Limited. I am duly authorized by the organization to execute this statement.

Sentinel Insurance Company, Limited has knowingly and voluntarily entered into this consent order and agrees with and consents to the issuance and service of this consent order."

*Stephanie Raymond*, Affiant

I attest that this signature is valid and confirm that the Order was signed on March 15, 2021.

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