

No. 2021-6710

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

**Date:** 03-08-2021

**Subject Considered:**

Hartford Fire Insurance Company  
One Hartford Plaza T 17 81  
Hartford, Connecticut 06155

Consent Order  
DWC Enforcement File No. 22727

**General remarks and official action taken:**

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

**Waiver**

Hartford Fire acknowledges that the Texas Labor Code and other applicable laws provide certain rights. Hartford Fire 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. Hartford 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 in Texas, including workers' compensation/employers' liability insurance.

- Hartford Fire was classified as "average" tier in the 2007, 2009, 2014, and 2016 Performance Based Oversight (PBO) assessments and "high" tier in the 2010, 2012, and 2018 PBO assessments.

Failure to Timely Pay Attorney Fees Ordered by DWC

- On [REDACTED], DWC ordered Hartford Fire to pay attorney fees in connection with legal services provided to an injured employee. DWC ordered Hartford Fire to pay attorney fees in the amount of [REDACTED] of each income benefit payment to the injured employee.
- On [REDACTED], a balance of [REDACTED] in attorney fees was outstanding.
- On [REDACTED], Hartford Fire issued a payment to the injured employee for unpaid indemnity income benefits. Hartford Fire was required to issue a payment for attorney fees to the injured employee's attorney the same day but did not issue payment until [REDACTED], which was 58 days late.

**Assessment of Sanction**

- 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.
- 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 and the history and extent of previous administrative violations.
  4. DWC found the following factors in TEX. LAB. CODE § 415.021(c) and 28 TEX. ADMIN. CODE § 180.26(e) to be mitigating: the penalty necessary to deter future violations.
  5. Hartford Fire 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. Hartford Fire 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)(7), and 28 TEX. ADMIN. CODE § 180.26(h).
3. Hartford Fire 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 §§ 415.021(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 have been completely paid or income benefits cease.
8. Hartford Fire violated TEX. LAB. CODE §§ 415.002(a)(20), 415.021(a), and 415.0035(e) when it failed to timely comply with a DWC order to pay attorney fees.

### Order

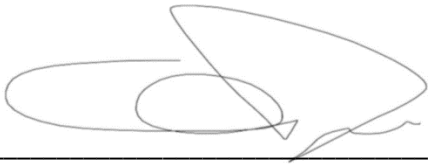
It is ordered that Hartford Fire Insurance Company must pay an administrative penalty of \$750 within 30 days from the date of this order. Hartford Fire must pay the administrative penalty by cashier's check or money order and make it payable to the "State of Texas." Mail the administrative penalty to the Texas Department of Insurance, Attn: DWC Enforcement Section, MC 9999, P.O. Box 149104, Austin, Texas 78714-9104.



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Cassie Brown  
Commissioner of Workers' Compensation

Approved Form and Content:



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Andrés Durá  
Staff Attorney, Enforcement  
Compliance and Investigations  
Division of Workers' Compensation

**Affidavit**

**STATE OF CONNECTICUT**

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**COUNTY OF TOLLAND**

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Before me, the undersigned authority, personally appeared Stephanie Raymond, 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 Hartford Fire Insurance Company. I am duly authorized by the organization to execute this statement.

Hartford Fire Insurance Company 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** *2/3/2021*

Affiant

SWORN TO AND SUBSCRIBED before me on \_\_\_\_\_, 2021.

(NOTARY SEAL)

\_\_\_\_\_  
Signature of Notary Public

\_\_\_\_\_  
Name of Notary Public

\_\_\_\_\_  
Commission Expiration

Confidential Information Redacted  
Texas Labor Code §§402.083 and 402.092