

No. **2025-9310**

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

Date: 5/20/2025

Subject Considered:

Hyatt Corporation
71 South Wacker Drive
Chicago, Illinois 60606-4637

Consent Order
DWC Enforcement File Nos. 36273 & 36392

General remarks and official action taken:

This is a consent order with Hyatt Corporation (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 is a private employer operating in the State of Texas. Respondent currently holds a certificate of authority issued by the Texas Department of Insurance, Division of Workers' Compensation (DWC) to act as a Certified Self-Insurer pursuant to Tex. Lab. Code, Chapter 407 and 28 Tex. Admin. Code, Chapter 114.
2. Respondent was not selected to be tiered in the 2024, 2022, or 2020 Performance Based Oversight (PBO) assessments.

Failure to Timely Initiate Accrued Temporary Income Benefits

File No. 36273

3. Respondent was required to pay temporary income benefits (TIBs) to an injured employee from [REDACTED], through [REDACTED]. The TIBs payments were due seven days after the first day of the pay period.
4. On [REDACTED], the injured employee's attorney indicated to Respondent via facsimile that the injured employee's mailing address had changed. The injured employee made additional attempts to contact Respondent and was attempting to retrieve checks sent to the old address. Despite these notifications, Respondent did not update the injured employee's information and continued to mail TIBs checks to the incorrect address.
5. As a result of Respondent's failure to update the injured employee's address, Respondent failed to timely pay \$ [REDACTED] in TIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	[REDACTED]	[REDACTED]	[REDACTED]	18
b.	[REDACTED]	[REDACTED]	[REDACTED]	98
c.	[REDACTED]	[REDACTED]	[REDACTED]	15
d.	[REDACTED]	[REDACTED]	[REDACTED]	17
e.	[REDACTED]	[REDACTED]	[REDACTED]	17
f.	[REDACTED]	[REDACTED]	[REDACTED]	24
g.	[REDACTED]	[REDACTED]	[REDACTED]	18
h.	[REDACTED]	[REDACTED]	[REDACTED]	17
i.	[REDACTED]	[REDACTED]	[REDACTED]	17
j.	[REDACTED]	[REDACTED]	[REDACTED]	13
k.	[REDACTED]	[REDACTED]	[REDACTED]	12
l.	[REDACTED]	[REDACTED]	[REDACTED]	20
m.	[REDACTED]	[REDACTED]	[REDACTED]	13

6. On [REDACTED], Respondent paid \$ [REDACTED] in interest 103 days late.

File No. 36392

7. Respondent was required to pay TIBs to the same injured employee in case 36273 above from [REDACTED], through [REDACTED]. The TIBs payments were due seven days after the first day of the pay period. Respondent failed to timely pay an additional \$ [REDACTED] in TIBs, as follows:

	Payment Period	Date Due	Date Paid	Day Late
a.	[REDACTED]	[REDACTED]	[REDACTED]	12
b.	[REDACTED]	[REDACTED]	[REDACTED]	5
c.	[REDACTED]	[REDACTED]	[REDACTED]	39
d.	[REDACTED]	[REDACTED]	[REDACTED]	32
e.	[REDACTED]	[REDACTED]	[REDACTED]	25
f.	[REDACTED]	[REDACTED]	[REDACTED]	18
g.	[REDACTED]	[REDACTED]	[REDACTED]	11
h.	[REDACTED]	[REDACTED]	[REDACTED]	4

8. On [REDACTED], Respondent paid \$ [REDACTED] in interest three days late.

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:
 - a. the violations caused \$ [REDACTED] in economic harm to the injured employee, who received benefits up to 98 days late;
 - b. the penalty necessary to deter future violations;
 - c. the negative impact on the delivery of \$ [REDACTED] in benefits; and
 - d. other matters that justice may require, including but not limited to Respondent's size and number of employees.
 4. DWC considered as mitigating Respondent's lack of disciplinary history since 2013 pursuant to Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).
 5. 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).
 6. 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 fails to comply with a DWC rule or a provision of the Texas Workers' Compensation Act.

Failure to Timely Initiate Payment of Accrued Temporary Income Benefits

6. Pursuant to Tex. Lab. Code § 408.101, an employee is entitled to temporary income benefits if the employee has a disability and has not attained maximum medical improvement.
7. Pursuant to Tex. Lab. Code §§ 408.081, 409.023, and 415.002(a)(16), an insurance carrier must pay benefits weekly, as and when the benefits accrue, without order from the commissioner.
8. Pursuant to Tex. Lab. Code §§ 408.081, 408.082, and 28 Tex. Admin. Code § 124.7, an insurance carrier is required to initiate payment of TIBs no later than the seventh day after the accrual date.
9. Respondent violated Tex. Lab. Code §§ 409.023; 415.002(a)(16), (20), and (22); and 28 Tex. Admin. Code § 124.7 each time Respondent failed to timely initiate TIBs.

Failure to Timely Pay Interest

10. Pursuant to Tex. Lab. Code § 408.064 and 28 Tex. Admin. Code § 126.12(b), accrued but unpaid income benefits and interest shall be paid in a lump sum.
11. Respondent violated Tex. Lab. Code §§ 408.064 and 415.002(a)(20) and (22) and 28 Tex. Admin. Code § 126.12(b) when Respondent failed to timely pay interest with accrued but unpaid income benefits.

Order

It is ordered that Hyatt Corporation must pay an administrative penalty of \$4,500 within 30 days from the date the Commissioner signs the order.

After receiving an invoice, Hyatt Corporation 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, P.O. Box 12030, Austin, Texas 78711-2030.



Jeff Nelson
Commissioner
TDI, Division of Workers' Compensation

Approved Form and Content:



Austin Southerland
Staff Attorney, Enforcement
Compliance and Investigations
TDI, Division of Workers' Compensation

Unsworn Declaration

STATE OF Illinois §
§
COUNTY OF Cook §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Lynette Smith. I hold the position of Senior Manager, WC and am the authorized representative of Hyatt Corporation. My business address is:
150 North Riverside Plaza 14th Fl, Chicago, Cook, IL, 60606.
(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.


Lynette Smith
Declarant

Executed on 04/02, 2025.