

No. **2025-9376**

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

**Date: 6/25/2025**

**Subject Considered:**

XL Insurance America, Inc.  
677 Washington Boulevard, Suite 1000  
Stamford, Connecticut 06901-3717

Consent Order  
DWC Enforcement File No. 36432

**General remarks and official action taken:**

This is a consent order with XL Insurance America, Inc. (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 multiple lines of insurance in Texas, including workers' compensation/employers' liability insurance.
2. Respondent was classified as "average" tier in the 2024, 2022, and 2020 Performance Based Oversight (PBO) assessments.

Failure to Timely Pay Subsequent Quarters of Supplemental Income Benefits

3. On [REDACTED], Respondent received a DWC Form-052, *Application for Supplemental Income Benefits* (DWC-52), for the third quarter. The third quarter of supplemental income benefits (SIBs) began on [REDACTED].
4. Respondent's payment for the first month of the third quarter was due by the 10th day after Respondent received the application for SIBs or the seventh day of the third quarter, whichever is later. Respondent's payment for the second month of the third quarter was due by the 37th day of the quarter and the payment for the third month of the third quarter was due by the 67th day of the quarter. Respondent failed to timely pay \$ [REDACTED] in SIBs for the third quarter, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	[REDACTED]	[REDACTED]	[REDACTED]	94
b.	[REDACTED]	[REDACTED]	[REDACTED]	62
c.	[REDACTED]	[REDACTED]	[REDACTED]	34

5. On [REDACTED], Respondent overpaid SIBs by [REDACTED].
6. On [REDACTED], Respondent received a late-filed DWC-52 for the second quarter, which began [REDACTED]. The deadline to file the DWC-052 was [REDACTED].
7. Respondent was required to act on the DWC-52 for the second quarter within 10 days after receipt. The deadline to act on the DWC-052 for the second quarter was [REDACTED]. However, Respondent was 36 days late acting on the DWC-52 for the second quarter by paying \$ [REDACTED] in SIBs for the second quarter 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:
- a. the violations are serious, involving multiple benefit delivery violations and a total of \$ [REDACTED] in benefits paid up to 94 days late;
  - b. Respondent has a history of similar administrative violations, including a recent consent order involving late SIBs payments;
  - c. a penalty is necessary to deter future violations;
  - d. the conduct had a negative impact on the delivery of \$ [REDACTED] in benefits to an injured employee; and
  - e. Respondent has a heightened awareness of the duty to comply with the law.
4. DWC is aware of no mitigating factors 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, 402.00111, 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), 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 Tex. Lab. Code § 408.144, SIBs are calculated quarterly and paid monthly.
8. Pursuant to Tex. Lab. Code § 408.145, an insurance carrier must pay SIBs no later than the seventh day after the employee's impairment income benefit period expires and must continue to pay the benefits in a timely manner.
9. Pursuant to Tex. Lab. Code § 409.023, an insurance carrier must continue to pay benefits promptly as and when benefits accrue without a final decision, order, or other action from the commissioner, except as otherwise provided.

10. Pursuant to 28 Tex. Admin. Code § 130.104(a), an insurance carrier shall issue a determination of entitlement or non-entitlement within 10 days of receipt of an Application for Supplemental Income Benefits for a subsequent quarter.
11. Pursuant to 28 Tex. Admin. Code § 130.107, an insurance carrier must make the first monthly payment of SIBs by the 10th day after receiving the Application for Supplemental Income Benefits or the seventh day of the quarter. An insurance carrier must make the second payment by the 37th day of the quarter and the third payment by the 67th day of the quarter.
12. Respondent violated Tex. Lab. Code §§ 408.145; 409.023; 415.002(a)(20) and (22); and 28 Tex. Admin. Code §§ 130.104(a) and 130.107 by failing to timely pay SIBs for the third and fourth quarters, and untimely acting on the application for the second quarter.

**Order**

It is ordered that XL Insurance America, Inc. must pay an administrative penalty of \$8,000 within 30 days from the date the Commissioner signs the order.

After receiving an invoice, XL Insurance America, Inc. 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, PO Box 12030, Austin, Texas 78711-2030.

  
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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 Lynn Munson. I hold the position of V.P. Claims Regulatory and am the authorized representative of XL Insurance America, Inc. My business address is: 111 S. Wacker Dr., Suite 4000, Chicago, Cook, IL, 60173.  
(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.

Lynn Munson  
Declarant

Executed on May 25, 2025.