

No. **2025-9492**

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

**Date: 8/26/2025**

**Subject Considered:**

Arch Insurance Company  
210 Hudson Street, Suite 300  
Jersey City, New Jersey 07311-1206

Consent Order  
DWC Enforcement File Nos. 36454 & 36496

**General remarks and official action taken:**

This is a consent order with Arch Insurance Company (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 Accrued TIBs in Accordance with a Designated Doctor Report

*File No. 36496*

3. On [REDACTED], Respondent received a designated doctor (DD) report of a DD examination performed on [REDACTED].
4. The DD determined that the injured employee had disability as a direct result of the compensable injury from [REDACTED], to [REDACTED].
5. Respondent was required to pay accrued TIBs no later than five days after receiving the DD report. The deadline to pay TIBs was [REDACTED].
6. On [REDACTED], Respondent paid \$ [REDACTED] in TIBs and interest 83 days late.

Failure to Timely Comply with a Benefit Dispute Agreement

*File No. 36454*

7. On [REDACTED], the parties executed a Benefit Dispute Agreement (BDA). In the BDA, Respondent and the injured employee agreed that the injured employee had disability from [REDACTED], to [REDACTED].
8. On [REDACTED], Respondent received the DWC-approved BDA by facsimile.
9. Respondent was required to pay accrued temporary income benefits (TIBs) for the period of [REDACTED], through [REDACTED], within five days of executing the BDA. In this case, the deadline to pay was [REDACTED].
10. Because Respondent had previously paid TIBs for [REDACTED], to [REDACTED], Respondent only owed TIBs for [REDACTED], to [REDACTED].
11. On [REDACTED], Respondent paid \$ [REDACTED] in TIBs 31 days late.
12. On Aug. 30, 2024, Respondent paid \$ [REDACTED] in interest one day 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. Further, failure to timely comply with a BDA that is executed in good faith by the parties and approved by DWC increases the likelihood of disputes, and is harmful to injured employees and the Texas workers' compensation system because it damages system participants' faith in the dispute resolution process.
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;
  - 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, including \$ [REDACTED] in benefits delivered up to 83 days late and a priority violation under Tex. Lab. Code § 402.0235;
  - b. Respondent has a history of similar administrative violations, including eight consent orders issued in the last five years involving TIBs;
  - c. a penalty is necessary to deter future violations;
  - d. there is a negative impact on the delivery of \$ [REDACTED] in benefits; and

- e. Respondent's size and heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules.
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 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, 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 a DWC rule or with a provision of the Texas Workers' Compensation Act.

Failure to Pay Income Benefits in Accordance with a DD Report

*File No. 36496*

6. Pursuant to Tex. Lab. Code § 408.0041(f), the insurance carrier must pay benefits based on the opinion of the DD during any pending dispute.
7. Pursuant to Tex. Lab. Code § 408.101, an employee is entitled to TIBs if the employee has a disability and has not attained maximum medical improvement.
8. Pursuant to Tex. Lab. Code §§ 408.081; 409.023; and 415.002(a)(16), a carrier must pay benefits weekly, as and when the benefits accrue, without order from the commissioner.
9. Pursuant to 28 Tex. Admin. Code § 127.10(i), the insurance carrier must pay all benefits in accordance with the DD report for the issues in dispute no later than five days after receiving the report.
10. Respondent violated Tex. Lab. Code §§ 408.0041(f); 409.023; 415.002(a)(16), (20), and (22); and 28 Tex. Admin. Code § 127.10(i) by failing to timely pay accrued benefits in accordance with the DD report no later than five days after receiving the report.

Failure to Timely Comply with a BDA

*File No. 36454*

11. Pursuant to Tex. Lab. Code § 415.010, a person commits a violation by breaching a provision of an agreement that DWC approved.
12. Respondent violated Tex. Lab. Code §§ 415.002(a)(22) and 415.010 by failing to timely comply with a DWC approved BDA.

Failure to Timely Pay Interest

*File No. 36454*

13. Pursuant to Tex. Lab. Code § 408.064, and 28 Tex. Admin. Code § 126.12, carriers must pay interest on late accrued but unpaid income benefits in a lump sum.
14. Respondent violated Tex. Lab. Code §§ 408.064, 415.002(a)(20) and (22), and 28 Tex. Admin. Code § 126.12 by failing to timely pay interest on accrued unpaid benefits.

**Order**

It is ordered that Arch Insurance Company must pay an administrative penalty of \$14,000 within 30 days from the date the Commissioner signs the order.

After receiving an invoice, Arch Insurance Company 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** New Jersey §  
§  
**COUNTY OF** Hudson §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Kathleen Campbell. I hold the position of Vice President and am the authorized representative of Arch Insurance Company. My business address is:  
210 Hudson Street, Jersey City, Hudson, NJ, 07311.  
(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.

  
\_\_\_\_\_  
Declarant

Executed on July 7th, \_\_\_\_\_, 2025.