No. 2023-8042

# Official Order of the Texas Commissioner of Workers' Compensation

Date: 6/23/2023

**Subject Considered:** 

Texas Mutual Insurance Company 2200 Aldrich Street Austin, Texas 78723-3474

Consent Order
DWC Enforcement File No. 31891

### General remarks and official action taken:

This is a consent order with Texas Mutual 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.

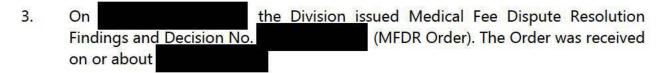
#### Waiver

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 workers' compensation/employers' liability insurance.
- 2. Respondent was classified as "average" tier in the 2007 Performance Based Oversight (PBO) assessments. Respondent was classified as "high" tier in the 2009, 2010, 2012, 2014, 2016, 2018, 2020, and 2022 PBO assessments.

## Failure to Comply with a DWC Order



- 4. The MFDR Order required Respondent to pay plus accrued interest by
- On November 18, 2022, Respondent issued payment of a second as required by the MFDR order; however, Respondent failed to issue payment for the accrued interest.
- 6. On Respondent paid interest in compliance with the MFDR Order, which was 789 days late.

#### Assessment of Sanction

- Failure to timely comply with DWC orders for payment of medical bills is not costeffective and 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;

Confidential Information Redacted Texas Labor Code §§402.083 and 402.092

- o the size of the company or practice;
- o 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 history and extent of previous administrative violations; and the penalty necessary to deter future violations.
- 4. DWC considered Respondent's high PBO status as a mitigating factor 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.

Confidential Information Redacted Texas Labor Code §§402.083 and 402.092

- 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)(22), an insurance carrier or its representative commits an administrative violation if it fails to pay an order awarding benefits.
- 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. Respondent violated Tex. Lab. Code §§ 415.002(a)(22), 415.021(a), and 415.0035(e) by failing to comply with a DWC order.

#### Order

It is ordered that Texas Mutual Insurance Company must pay an administrative penalty of \$3,000 within 30 days from the date of this order. Texas Mutual 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, P.O. Box 12030, Austin, Texas 78711-2030.

Jeff Nelson Commissioner

TDI, Division of Workers' Compensation

Approved Form and Content:

Michelle S. M. Fall

Michelle A. McFaddin

Lead Attorney, Enforcement

Compliance and Investigations

TDI, Division of Workers' Compensation

2023-8042

## **Unsworn Declaration**

STATE OF TEXAS	§		
COUNTY OF TRAVIS	§ §		
		§ 132.001(a), (b), and (d), my Vice President of Claims and	
authorized representative of 2200 Aldrich Street		nce Company. My business ad , <u>Travis</u> , <u>TX</u> , <u>78723</u>	
(Street)		(County) (State) (ZIP Code	
9	. , ,	ned duties and responsibilities his document are true and cor	
Curtis Johnson  Declarant signed with permission - JBL			
Executed on June 12,	, 2023.		