

No. **2026-10023**

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

Date: 7/13/2026

Subject Considered:

Ace American Insurance Company
436 Walnut Street
Philadelphia, Pennsylvania 19106-3703

Consent Order
DWC Enforcement File Nos. 38549, 38759, & 38787

General remarks and official action taken:

This is a consent order with Ace American 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 2020, 2022, and 2024 Performance Based Oversight (PBO) assessments.

Failure to Pay Accrued Impairment Income Benefits (IIBs) Based on a Designated Doctor Report

File No. 38787

3. On Jan. 20, 2026, Respondent received a designated doctor (DD) report of a DD examination performed on Jan. 6, 2026.
4. The DD determined that the injured employee reached maximum medical improvement (MMI) on [REDACTED], with a [REDACTED] impairment rating (IR).
5. Respondent was required to pay accrued IIBs no later than five days after receiving the DD report, or by Jan. 26, 2026.
6. On Feb. 13, 2026, Respondent paid \$8,328.25 18 days late.
7. On Feb. 16, 2026, Respondent paid the remaining \$29,462.75 in IIBs 21 days late.

Failure to Pay Accrued IIBs Based on a Certifying Doctor Report

File No. 38759

8. On Nov. 7, 2025, Respondent received a DWC Form-69, *Report of Medical Evaluation*, from the injured employee's certifying doctor (CD) in connection with a CD examination.
9. The CD determined that the injured employee reached MMI on [REDACTED], with a [REDACTED] IR.
10. Since MMI and IR were not in dispute, Respondent was required to pay accrued IIBs no later than five days after receiving the CD report, or by Nov. 12, 2025.
11. On Nov. 14, 2025, Respondent paid \$1,644 in IIBs two days late.
12. On March 13, 2026, Respondent paid interest 119 days late.

Failure to Timely Comply with a Contested Case Hearing Decision and Order (CCH D&O)

File No. 38549

13. On June 20, 2025, DWC issued a CCH D&O requiring Respondent to pay benefits in accordance with the decision. Respondent received the CCH D&O on June 26, 2025.
14. The CCH D&O became final on July 21, 2025. Respondent was required to comply with the CCH D&O within 20 days. The deadline to comply was Aug. 11, 2025.
15. Respondent timely paid \$4,797.40 in TIBs and interest. However, Respondent failed to pay one day's worth of temporary income benefits (TIBs) and interest.
16. On Nov. 29, 2025, Respondent fully complied when it paid the remaining \$71.69 in TIBs and interest 110 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. Compliance with DWC orders is imperative to minimize disputes and resolve them promptly and fairly. In addition, failure to provide income benefits in a timely and cost-effective manner is harmful to injured employees and the Texas workers' compensation system.
3. 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.
4. 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 seriousness of the violations is significant, including \$39,510.86 in late income benefits and interest and violation of a DWC order, which is a priority violation under Tex. Lab. Code § 402.0235;
 - b. Respondent has a history of similar administrative violations, including six consent orders involving CCH D&O violations and nine consent orders involving failure to timely pay benefits in accordance with a DD report;
 - c. a penalty is necessary to deter future violations;
 - d. the violations had a negative impact on the delivery of \$39,503 in benefits to an injured employee; and
 - e. Respondent has a heightened awareness of its legal duty to comply with the Texas Workers' Compensation Act and DWC rules. Respondent is the sixth largest workers' compensation insurance carrier in Texas and had the fourth highest number of violations in fiscal year 2025.
5. DWC is aware of no mitigating factors pursuant to Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).
6. 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).
7. 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 § 402.0235(a)(3), the division shall assign priorities to complaint investigations and shall consider whether a commissioner order has been violated.
5. Pursuant to Tex. Lab. Code § 415.021, the commissioner may assess an administrative penalty against a person who commits an administrative violation.
6. 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.
7. 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.

Failure to Pay Accrued IIBs Based on a DD Report

File No. 38787

8. Pursuant to Tex. Lab. Code § 408.121, an employee's entitlement to IIBs begins on the day after MMI date and ends on the date of expiration of a period computed at the rate of three weeks for each percentage point of impairment. The insurance

carrier shall begin to pay IIBs not later than the fifth day after the date on which the insurance carrier receives the doctor's report certifying MMI.

9. 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.
10. Pursuant to Tex. Lab. Code § 408.0041(f), an insurance carrier must pay benefits based on the opinion of the DD during any pending dispute.
11. Pursuant to 28 Tex. Admin. Code § 127.10(i), an 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.
12. Respondent violated Tex. Lab. Code §§ 408.0041(f), 409.023, and 415.002(a)(16), (20), and (22); and 28 Tex. Admin. Code § 127.10(i) by failing to timely pay accrued income benefits in accordance with the DD report no later than five days after receiving the report.

Failure to Pay Accrued IIBs Based on a CD Report

File No. 38759

13. 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.
14. Pursuant to Tex. Lab. Code § 408.121(b), an insurance carrier must pay IIBs no later than five days after the carrier receives the doctor's report certifying MMI.
15. Pursuant to 28 Tex. Admin. Code § 130.8, an insurance carrier must pay benefits in accordance with the treating doctor's medical evaluation report no later than five days after receiving the treating doctor's medical evaluation report when MMI is not disputed.
16. Respondent violated Tex. Lab. Code §§ 408.121(b), 409.023 and 415.002(a)(16), (20), and (22) and 28 Tex. Admin. Code § 130.8 by failing to timely pay accrued income benefits within five days of receiving the CD report.

Failure to Timely Pay Interest

File No. 38759

17. 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.
18. Respondent violated Tex. Lab. Code §§ 408.064; 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 126.12(b) each time Respondent failed to timely pay interest with accrued but unpaid income benefits.

Failure to Timely Comply with a CCH D&O

File No. 38549

19. Pursuant to Tex. Lab. Code §§ 415.0035(e) and 415.021(a), an insurance carrier commits an administrative violation if it violates, fails to comply with, or refuses to comply with a DWC order.
20. Pursuant to Tex. Lab. Code § 410.169 and 28 Tex. Admin. Code § 142.16, a party is required to comply with a CCH D&O within 20 days of the order becoming final. However, if the CCH D&O involves benefits, a party must comply no later than the fifth day after filing a written request for appeal.
21. Respondent violated Tex. Lab. Code §§ 410.169; 415.002(a)(20) and (22); 415.0035(e), 415.021; and 28 Tex. Admin. Code § 142.16 by failing to timely comply with a DWC order for benefits.

Order

It is ordered that Ace American Insurance Company must pay an administrative penalty of \$4,000 within 30 days from the date the Commissioner signs the order.

After receiving an invoice from DWC, Ace American Insurance Company must pay the administrative penalty either: (1) by electronic transfer using the State Invoice Payment Service; OR (2) by company check, cashier's check, or money order.

To ensure proper check or money order processing:

- Make the check payable to "Texas Division of Workers' Compensation";
- Enclose a copy of the attached invoice with the check or money order; and
- Mail the check or money order to the Texas Department of Insurance, Attn: DWC Enforcement Section, MC AO-9999, PO Box 12030, Austin, Texas 78711-2030.



Jeff Nelson
Commissioner
TDI, Division of Workers' Compensation

Approved Form and Content:



Dan Garcia
Staff Attorney, Enforcement
Compliance and Investigations
TDI, Division of Workers' Compensation

Unsworn Declaration

STATE OF Pennsylvania

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COUNTY OF Philadelphia

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Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is
Daniel S. Hawthorne. I hold the position of VP, Claim Compliance and am the
authorized representative of Ace American Insurance Company. My business address is:
2000 Arch Street, Philadelphia, Philadelphia, PA, 19103.
(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.

Daniel S. Hawthorne
Declarant

Executed on June 16, 2026.