

No. 2026-10034

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

Date: 7/17/2026

Subject Considered:

Old Republic Insurance Company
307 North Michigan Avenue, 17th Floor
Chicago, Illinois 60601

Consent Order
DWC Enforcement File No. 38062

General remarks and official action taken:

This is a consent order with Old Republic 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 Process a Claim Promptly in a Reasonable and Prudent Manner and Accurately Pay Temporary Income Benefits (TIBs) by Properly Adjusting the Average Weekly Wage (AWW)

3. On Nov. 25, 2024, an injured employee suffered a workplace injury.
4. On Dec. 12, 2024, Respondent issued a Plain Language Notice Form-2A, *Notice of First Temporary Income Benefit Payment* (PLN-2A). In the PLN-2A, Respondent informed the injured employee that it would pay TIBs at a rate of \$610.68 per week, based on Respondent's determination of the employee's AWW of \$872.40. Respondent determined this rate based on the hourly rate times the average number of hours in the employee's standard work week, as allowed by DWC rule.
5. On Dec. 24, 2024, Respondent received a wage statement for the injured employee. This wage statement established that the injured employee's AWW was \$1,009.98, with a TIBs rate of \$706.99.
6. Respondent was required to pay TIBs at a rate of \$706.99, starting within seven days following the date the insurance carrier received the wage statement, or by Dec. 31, 2024.
7. However, Respondent failed to process the claim promptly in a reasonable and prudent manner and continued to pay TIBs at the rate of \$610.68 per week for the period from Nov. 26, 2024, through June 18, 2025. Respondent underpaid the injured employee \$1,953.82 in TIBs throughout this period.
8. On Sept. 23, 2025, Respondent paid the underpaid TIBs. However, Respondent incorrectly calculated the AWW and TIBs rate based on the wage statement previously received. As a result, Respondent paid TIBs at a rate of \$833.88 per week, resulting in a \$2,573.96 overpayment to the injured employee.

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 seriousness of the violations, including unreasonable claims handling involving \$1,953.82 in underpaid TIBs and incorrect calculation of the AWW and TIBs rate;
 - b. Respondent's history of similar administrative violations, including one warning letter involving inaccurate payment of TIBs;
 - c. the penalty necessary to deter future violations;
 - d. the negative impact on the delivery of \$1,953.82 in benefits to an injured employee; and
 - e. Respondent is the eighth largest workers compensation insurance carrier in Texas and had the third highest number of violations in fiscal year 2025 (23 violations). Thus, Respondent has a heightened awareness of the legal duty to comply with the Workers' Compensation Act and DWC rules.

4. DWC found the following mitigating factor pursuant to Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e): Respondent ultimately overpaid income benefits to the injured employee.
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 violates a DWC rule or a provision of the Texas Workers' Compensation Act.
6. Pursuant to Tex. Lab. Code § 415.002(a)(11), an insurance carrier or its representative commits an administrative violation each time it fails to process claims promptly in a reasonable and prudent manner.

7. Pursuant to Tex. Lab. Code §§ 408.081, an employee is entitled to timely and accurate income benefits. Income benefits shall be paid weekly as and when they accrue without order from the commissioner.
8. Pursuant to Tex. Lab. Code § 408.103(a)(1), the amount of TIBs is equal to 70% of the amount computed by subtracting the employee's weekly earnings after the injury from the employee's AWW.
9. Pursuant to 28 Tex. Admin. Code § 128.1(e), if an insurance carrier determines or is notified that the employee's AWW is different than what the insurance carrier had previously determined, the insurance carrier shall adjust the AWW and begin payment of benefits on the next payment due and within seven days following the date the insurance carrier received the new information regarding the AWW.
10. Pursuant to 28 Tex. Admin. Code § 128.2(a), an insurance carrier shall promptly initiate the payment of income benefits as required by the Workers' Compensation Act. To expedite payment, the carrier shall presume that multiplying the employee's hourly rate times the average number of hours in the employee's standard work week, or, if such information is not available, that the employer's last payment to the employee for personal services based on a full week's work (a partial work week shall be prorated for a full week) accurately reflects the employee's AWW until the employer files a complete wage statement, or the correct AWW is determined by other evidence, if the employer does not file a complete wage statement.
11. Respondent violated Tex. Lab. Code §§ 408.081; 415.002(a)(11), (20), and (22); and 28 Tex. Admin. Code §§ 128.1(e) & 128.2(a) by failing to process a claim promptly in a reasonable and prudent manner and accurately pay TIBs by properly adjusting the AWW.

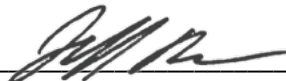
Order

It is ordered that Old Republic Insurance Company must pay an administrative penalty of \$2,000 within 30 days from the date the Commissioner signs the order.

After receiving an invoice from DWC, Old Republic 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, P.O. Box 12030, Austin, Texas 78711-2030.



Jeff Nelson
Commissioner
TDI, Division of Workers' Compensation

Approved Form and Content:



Connor Ambrosini
Staff Attorney, Enforcement
Compliance and Investigations
TDI, Division of Workers' Compensation

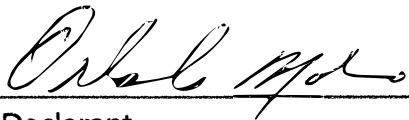
Unsworn Declaration

STATE OF Illinois §
§
COUNTY OF Cook §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Orlando Moreno. I hold the position of AVP Regulatory Compliance Services and am the authorized representative of Old Republic Insurance Company. My business address is:

307 N Michigan Ave, Chicago, Cook, IL, 60601.
(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 June 25, 2026.