No. **2026-9858**

Official Order
of the
Texas Commissioner of Workers' Compensation

Date: 3/29/2026

Subject Considered:

Everest National Insurance Company
100 Everest Way
Warren, New Jersey 07059-5195

Consent Order
DWC Enforcement File No. 38292

General remarks and official action taken:

This is a consent order with Everest National 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 2022 and 2024 Performance Based Oversight (PBO) assessment, and "poor" tier in the 2020 PBO assessments.

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Failure to Pay Impairment Income Benefits Based on a Designated Doctor Report

3. On Sept. 4, 2025, Respondent received a designated doctor (DD) report of a DD examination performed on Aug. 25, 2025.

4. The DD determined that the injured employee reached maximum medical improvement (MMI) on [redacted], with an [redacted] impairment rating.

5. Respondent was required to pay accrued impairment income benefits (IIBs) no later than five days after receiving the DD report, or by Sept. 9, 2025.

6. On Oct. 10, 2025, Respondent paid $5,754 in IIBs 31 days late.

7. On Oct. 15, 2025, Respondent paid $18.92 in interest five days late.

Failure to Accurately Pay Accrued IIBs

8. Respondent was also required to pay IIBs to the injured employee for the periods between Aug. 25, 2025, and Feb. 9, 2026.

9. Based on the date of injury and the injured employee's average weekly wage being greater than the state average weekly wage, the correct weekly IIBs rate was $853, the maximum rate permitted.

10. From Aug. 25, 2025, through Dec. 17, 2025, Respondent incorrectly paid $822 in IIBs, which was the prior year's maximum rate. This resulted in a total underpayment of $496.

11. On Dec. 18, 2025, Respondent cured the deficiency in IIBs payments.

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):

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Texas Labor Code §§402.083 and 402.092

- 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 seriousness of the violation, including $6,268.92 in benefits and interest paid up to 112 days late;
   b. Respondent's history of similar administrative violations, including one recent consent order involving late payment of accrued benefits after a DD report;
   c. the penalty necessary to deter future violations; and
   d. the negative impact on the delivery of $6,250 in benefits to an injured employee.

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).

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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 fails to comply with a provision of the Texas Workers' Compensation Act.

6. 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.

<u>Failure to Pay Accrued IIBs Based on a DD Report</u>

7. Pursuant to Tex. Lab. Code § 408.121, an employee's entitlement to IIBs begins on the day after the date the employee reaches MMI 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 no later than the fifth day after the insurance carrier receives the doctor's report certifying MMI.

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8. 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.

9. 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.

10. 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 IIBs in accordance with the DD report no later than five days after receiving the report.

Failure to Accurately Pay Accrued IIBs

11. Pursuant to Tex. Lab. Code § 408.126, IIBs are equal to 70% of the injured employee's average weekly wage.

12. Respondent violated Tex. Lab. Code §§ 408.081, 408.126, 409.023, 415.002(a)(16) and (22) each time Respondent failed to timely and accurately pay IIBs.

Failure to Timely Pay Interest

13. 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.

14. Respondent violated Tex. Lab. Code § 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.

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Order

It is ordered that Everest National 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, Everest National 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.

Jeff Nelson
Commissioner
TDI, Division of Workers' Compensation

Approved Form and Content:

Savanna O'Neal
Staff Attorney, Enforcement
Compliance and Investigations
TDI, Division of Workers' Compensation

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Unsworn Declaration

STATE OF Sommerset §
§
COUNTY OF New Jersey §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Patrick Stetz. I hold the position of Vice President, Claims and am the authorized representative of Everest National Insurance Company. My business address is:

100 Everest Way, Warren, Sommerset, NJ, o7059.
(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.

Signed by:
Patrick Stetz
7A2A7455294F484...

Declarant

Executed on March 6, 2026.

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Texas Labor Code §§402.083 and 402.092