

No. **2026-9890**

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

Date: 4/17/2026

Subject Considered:

Indemnity Insurance Company of North America
115 Wild Basin Road, Suite 207
West Lake Hills, Texas 78746

Consent Order
DWC Enforcement File Nos. 37719, 37985, & 37986

General remarks and official action taken:

This is a consent order with Indemnity Insurance Company of North America (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 licensed to write workers' compensation/employers' liability insurance in Texas.
2. Respondent was classified as "average" tier in the 2020, 2022, and 2024 Performance Based Oversight (PBO) assessments.

Failure to Timely Pay Attorney Fees Ordered by DWC and Accurately Pay Income Benefits

File No. 37719

3. From March 11, 2024, through Nov. 20, 2024, DWC ordered Respondent to pay \$16,157.50 in attorney fees for representing an injured employee at a rate of 25% of each income benefit paid to the injured employee.
4. Between March 20, 2024, and May 1, 2025, Respondent paid benefits to the injured employee (IE) on multiple dates. However, Respondent failed to timely pay \$9,380.50 in attorney fees concurrently with the employee's benefits, as follows:

	Benefits Paid to IE	Attorney Fee Owed	Date Due	Date Paid	Days Late
a.	\$1,112	\$278	03-20-2024	03-21-2024	1
b.	\$1,112	\$278	03-27-2024	03-29-2024	2
c.	\$1,112	\$74	04-04-2024	04-05-2024	1
d.	\$1,112	\$278	04-25-2024	04-26-2024	1
e.	\$1,112	\$278	05-02-2024	05-03-2024	1
f.	\$1,112	\$278	05-09-2024	05-10-2024	1
g.	\$1,112	\$278	05-16-2024	05-17-2024	1
h.	\$1,112	\$278	06-13-2024	06-14-2024	1
i.	\$1,112	\$278	06-20-2024	06-21-2024	1
j.	\$1,112	\$278	06-27-2024	06-28-2024	1
k.	\$1,112	\$278	07-11-2024	07-23-2024	12
l.	\$1,112	\$278	07-18-2024	07-23-2024	5
m.	\$1,112	\$278	07-25-2024	07-26-2024	1
n.	\$1,112	\$278	08-01-2024	08-02-2024	1
o.	\$1,112	\$278	08-08-2024	08-09-2024	1
p.	\$1,112	\$278	08-15-2024	08-16-2024	1
q.	\$1,112	\$278	08-22-2024	08-23-2024	1
r.	\$1,112	\$278	08-29-2024	08-30-2024	1
s.	\$1,112	\$278	09-04-2024	09-05-2024	1
t.	\$1,112	\$159.50	09-11-2024	09-12-2024	1
u.	\$1,112	\$278	09-18-2024	09-19-2024	1
v.	\$1,112	\$278	10-23-2024	10-24-2024	1
w.	\$1,112	\$182	10-30-2024	10-31-2024	1

	Benefits Paid to IE	Attorney Fee Owed	Date Due	Date Paid	Days Late
x.	\$1,112	\$278	11-06-2024	11-08-2024	2
y.	\$1,112	\$278	11-14-2024	11-15-2024	1
z.	\$1,112	\$192.75	11-21-2024	11-22-2024	1
aa.	\$1,112	\$278	01-24-2025	01-27-2025	3
ba.	\$1,112	\$278	01-31-2025	02-03-2025	3
ca.	\$1,112	\$210.25	02-07-2025	02-10-2025	3
da.	\$1,112	\$278	03-06-2025	05-15-2025	70
ea.	\$1,112	\$278	03-13-2025	05-15-2025	63
fa.	\$1,112	\$278	03-20-2025	05-15-2025	56
ga.	\$1,112	\$278	03-27-2025	05-15-2025	49
ha.	\$834	\$194.50	04-22-2025	04-23-2025	1
ia.	\$834	\$194.50	04-29-2025	04-30-2025	1
ja.	\$834	\$194.50	05-06-2025	05-07-2025	1
ka.	\$834	\$194.50	05-13-2025	05-14-2025	1

5. Additionally, between April 4, 2024, and Feb. 7, 2025, Respondent deducted an improper amount of attorney fees from the injured employee's temporary income benefits (TIBs) resulting in an underpayment of \$2,435.25, as follows:

	Date Paid	Benefits Owed to IE	Benefits Paid to IE	Underpayment amount
a.	04-04-2024	\$1,038	\$834	\$204
b.	04-11-2024	\$1,112	\$834	\$278
c.	09-11-2024	\$952.50	\$834	\$118.50
d.	10-30-2024	\$930	\$834	\$96
e.	11-21-2024	\$919.25	\$834	\$85.25
f.	11-26-2024	\$1,112	\$834	\$278
g.	12-19-2024	\$901.75	\$834	\$67.75
h.	01-02-2025	\$1,112	\$834	\$278
i.	01-02-2025	\$1,112	\$834	\$278
j.	01-09-2025	\$962	\$834	\$128
k.	01-10-2025	\$1,112	\$834	\$278
l.	01-17-2025	\$1,112	\$834	\$278
m.	02-07-2025	\$901.75	\$834	\$67.75

6. On March 7, 2026, Respondent paid \$2,435.25, plus accrued interest, to the injured employee to correct the underpayment.

Failure to Timely Act on a Medical Bill

File No. 37986

7. On May 15, 2025, a designated doctor (DD) examined an injured employee.
8. On May 21, 2025, Respondent received a medical bill for \$863 from the DD.
9. Respondent was required to act on the bill within 45 days of receiving it. The deadline to act was July 7, 2025.
10. On July 21, 2025, Respondent paid \$863 to the DD, 14 days late.
11. Because Respondent paid the medical bills on or after the 60th day after the bill was received, Respondent owed interest, which it paid on Oct. 3, 2025, 74 days late.

Failure to Provide a Sufficient Explanation for an Action Taken on a Claim

File No. 37985

12. On Aug. 5, 2025, Respondent sent a Plain Language Notice Form 2a, *First Notice of Temporary Income Benefit Payment* (PLN-2a) informing an injured employee that Respondent would begin paying TIBs.
13. On Aug. 26, 2025, Respondent submitted a Plain Language Notice Form 11, *Notice of Disputed Issues and Refusal to Pay Benefits* (PLN-11). In the PLN-11, Respondent checked the first box indicating that it did not agree that the work-related injury stopped the injured employee from getting or keeping a job that pays what the injured employee earned before the injury. However, Respondent left the section requiring a detailed explanation of the dispute completely blank.
14. By leaving the explanation section blank, Respondent failed to file claim-specific, substantive information describing reasonable grounds for disputing the claim.

15. On Sept. 2, 2025, Respondent resent the PLN-11 to the injured employee. This time the PLN-11 contained a detailed explanation of its dispute. Respondent submitted this PLN-11 to DWC on Jan. 13, 2026.

Assessment of Sanction

1. Failure to timely pay attorney fees ordered by DWC hinders the division's goal of providing a fair and accessible dispute resolution process and is harmful to the Texas workers' compensation system. Additionally, failure to provide correct income benefits in a timely and cost-effective manner is harmful to injured employees and the Texas workers' compensation system.
2. Prompt payment of medical bills is imperative to DWC's goal of ensuring that injured employees have access to prompt, high-quality medical care. Failure to promptly pay medical bills harms medical providers economically, increases disputes and exhausts administrative resources in the workers' compensation system. It is a serious violation to fail to timely act on a medical bill involving DD services, which do not require preauthorization and which serve an essential function in the Texas workers' compensation system. Untimely payment can have a chilling effect on a DD's participation in the system.
3. Failure to timely file claim-specific, substantive information describing reasonable grounds to deny a claim denies an injured employee or legal beneficiary opportunity to understand the carrier's position and dispute the action.
4. 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.
5. 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, involving up to \$11,815.75 in late benefits and attorneys fees and non-compliance involving TIBs and DWC orders, which is a priority violation under the Texas Labor Code, until DWC involvement;
 - b. Respondent has a history of similar administrative violations, including 53 consent orders and 20 warning letters involving similar conduct;
 - c. a penalty is necessary to deter future violations;
 - d. the violations had a negative impact on the delivery of \$2,435.25 in benefits to an injured employee; and
 - e. Respondent has a heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules. Respondent is the 11th largest Texas Workers' Compensation insurance carrier with the highest recidivist rate in fiscal year 2025.¹
6. DWC is aware of no mitigating factors pursuant to Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e).
7. 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).
8. 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).

¹ <https://www.tdi.texas.gov/company/top40.html>

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 if that person violates a DWC rule or fails to comply with a provision of the Texas Workers' Compensation Act.

Failure to Timely Pay Attorney Fees Ordered by DWC

File No. 37719

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. Pursuant to 28 Tex. Admin. Code § 152.1(c), insurance carriers are required to pay attorney fees ordered by DWC. The insurance carrier must begin payment out of the approved income benefits by mailing a check to the attorney within seven days after receiving the order. As the insurance carrier pays income benefits, it must pay attorney fees until the fees are completely paid or income benefits cease.
8. Respondent violated Tex. Lab. Code §§ 415.002(a)(20) and (22); 415.021(a); 415.0035(e); and 28 Tex. Admin. Code § 152.1(c) by failing to timely comply with multiple DWC orders to pay attorney fees.

Failure to Accurately Pay TIBs

File No. 37719

9. Pursuant to Tex. Lab. Code § 408.103 and Tex. Admin. Code § 129.3, the insurance carrier is required to pay the correct amount of TIBs.
10. Respondent violated Tex. Lab. Code §§ 408.103; 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 129.3 each time Respondent failed to accurately pay TIBs.

Failure to Timely Act on a Medical Bill

File No. 37986

11. Pursuant to Tex. Lab. Code § 408.027 and 28 Tex. Admin. Code § 133.240, an insurance carrier is required to timely process and take final action on a completed medical bill within 45 days of receiving the bill.
12. Respondent violated Tex. Lab. Code §§ 408.027; 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 133.240 by failing to pay, reduce, deny, or determine to audit a completed medical bill within 45 days of receiving the bill.

Failure to Provide a Sufficient Explanation for an Action Taken on the Claim

File No. 37985

13. Pursuant to 28 Tex. Admin. Code § 124.2(h) and (k), notification to the injured employee requires the insurance carrier to use plain language notices in the form and manner prescribed by the division. These notices must provide a full and complete statement describing the insurance carrier's action and rationale. The statement must contain sufficient claim-specific substantive information to enable the claimant to understand the insurance carrier's position or action taken on the claim.
14. Respondent violated Tex. Lab. Code § 415.002(a)(20) and 28 Tex. Admin. Code § 124.2(h) and (k) when it failed to file claim-specific, substantive information describing reasonable grounds for disputing the claim.

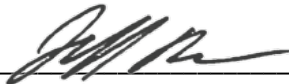
Order

It is ordered that Indemnity Insurance Company of North America must pay an administrative penalty of \$6,350 within 30 days from the date the Commissioner signs the order.

After receiving an invoice from DWC, Indemnity Insurance Company of North America 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 Delaware §
§
COUNTY OF New Castle §

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 Indemnity Insurance Company of North America. My business address is:

1 Beaver Valley Road, Wilmington, New Castle, Delaware, 19803.
(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 March 12, 2026