

No. **2026-9929**

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

Date: 5/18/2026

Subject Considered:

American Zurich Insurance Company
1299 Zurich Way
Schaumburg, Illinois 60196-1091

Consent Order
DWC Enforcement File Nos. 37581 & 37866

General remarks and official action taken:

This is a consent order with American Zurich 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 in Texas.
2. Respondent was classified as "average" tier in the 2020, 2022, and 2024 Performance Based Oversight (PBO) assessments.

Failure to Timely Comply with a Benefit Dispute Agreement (BDA) and to Timely Pay
Accrued Impairment Income Benefits (IIBs)

File No. 37581

3. On April 18, 2025, Respondent received a DWC-approved BDA in which Respondent and an injured employee agreed that the employee reached maximum medical improvement (MMI) on [REDACTED], with an impairment rating of 5%. The parties also agreed that the employee had disability from Oct. 18, 2024, through Dec. 31, 2024, and did not have disability from Jan. 1, 2025, through March 2, 2025.
4. Respondent was required to pay accrued temporary income benefits (TIBs) and IIBs to the injured employee within five days of receiving the BDA, which was April 23, 2025.
5. By April 23, 2025, Respondent owed \$10,277.70 in TIBs and \$5,187 in IIBs.
6. On May 15, 2025, Respondent paid \$9,522 in TIBs 22 days late. Respondent underpaid \$755.70 in TIBs and did not pay IIBs or interest on this date.
7. On June 5, 2025, Respondent paid \$315.72 in interest for the TIBs payment made on May 15, 2025. However, Respondent should have paid \$331.54 in interest. The payment was 21 days late and Respondent underpaid \$15.82 in interest.
8. Respondent was also required to pay IIBs to the injured employee from April 21, 2025, through June 15, 2025. The IIBs payments were due seven days after the first day of each pay period.
9. By June 16, 2025, Respondent owed \$755.70 in TIBs, \$11,115 in IIBs, and \$15.82 in underpaid interest.
10. On June 17, 2025, Respondent paid \$755.21 in TIBs and the \$5,187 in IIBs due by April 23, 2025. The payments were 55 days late and Respondent underpaid \$0.49 in TIBs. Further, Respondent failed to timely pay \$5,928 in IIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	04-21-2025 to 04-27-2025	04-28-2025	06-17-2025	50

b.	04-28-2025 to 05-04-2025	05-05-2025	06-17-2025	43
c.	05-05-2025 to 05-11-2025	05-12-2025	06-17-2025	36
d.	05-12-2025 to 05-18-2025	05-19-2025	06-17-2025	29
e.	05-19-2025 to 05-25-2025	05-27-2025	06-17-2025	21
f.	05-26-2025 to 06-01-2025	06-02-2025	06-17-2025	15
g.	06-02-2025 to 06-08-2025	06-09-2025	06-17-2025	8
h.	06-09-2025 to 06-15-2025	06-16-2025	06-17-2025	1

11. On June 17, 2025, Respondent paid all IIBs owed and \$49.21 in interest. Accounting for the previous \$15.82 underpayment, Respondent should have paid \$156.42 in interest. Thus, Respondent underpaid \$107.21 in interest.
12. On Jan. 22, 2026, Respondent corrected the TIBs underpayment and paid \$106.51 in interest 274 and 219 days late, respectively.
13. On Jan. 26, 2026, Respondent paid the remaining \$0.70 in interest 223 days late.

Failure to Comply with a DWC Order

File No. 37866

14. On May 7, 2025, Respondent received Medical Fee Dispute Resolution (MFDR) Findings and Decision Order No. M4-25-1660-01 requiring Respondent to pay \$365.88 plus accrued interest by June 6, 2025.
15. Respondent complied with the order 61 days late by paying \$365.88 plus interest on Aug. 6, 2025.

Assessment of Sanction

1. Failure to timely comply with a benefit dispute agreement that is executed in good faith by the parties and approved by DWC increases the likelihood of disputes, and is harmful to injured employees and the Texas workers' compensation system because it damages system participants' faith in the dispute resolution process.
2. Failure to timely comply with DWC orders for payment of medical bills is not cost-effective, increases the likelihood of disputes, and causes economic harm. Further,

non-compliance with a DWC order interferes with DWC's ability to regulate and diminishes faith in 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 violations are serious, involving \$21,392.21 in income benefits paid up to 55 days late, underpayments corrected up to 274 days late, non-compliance with a DWC-approved agreement, and violation of a DWC order, which are priority violations under Tex. Lab. Code § 402.0235;
 - b. Respondent has a history of similar administrative violations, including 33 consent orders involving late TIBs/IIBs and 10 consent orders involving failure to comply with a DWC order in the last five years;
 - c. a penalty is necessary to deter future violations;
 - d. the violations negatively impacted the delivery of \$21,392.70 in income benefits to an injured employee; and

- e. Respondent is the 13th largest workers' compensation insurance carrier in Texas and had the fifth highest number of enforcement actions in fiscal year 2025. Thus, Respondent has heightened awareness of its legal duty to comply with the Texas Workers' Compensation Act and DWC rules.
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 § 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.

Failure to Timely Comply with a BDA

File No. 37581

6. Pursuant to Tex. Lab. Code § 415.010, a person commits a violation by breaching a provision of an agreement that DWC approved.
7. Respondent violated Tex. Lab. Code §§ 415.002(a)(22) and 415.010 by failing to timely comply with a BDA.

Failure to Timely Pay Accrued IIBs

File No. 37581

8. Pursuant to Tex. Lab. Code §§ 408.081, 409.023, and 415.002(a)(16), an insurance carrier must pay benefits weekly, as and when benefits accrue, without order from the commissioner.
9. Pursuant to Tex. Lab. Code § 408.121(a), an employee's entitlement to IIBs begins the day after the employee reaches MMI and ends on the earlier of the date of expiration of a period computed at the rate of three weeks for each percentage point of impairment or the date of the employee's death.
10. Respondent violated Tex. Lab. Code §§ 408.121; 409.023; and 415.002(a)(16) and (22) each time Respondent failed to timely pay accrued IIBs.

Failure to Comply with a DWC Order

File No. 37866

11. Pursuant to Tex. Lab. Code § 413.055, the commissioner may enter an interlocutory order for the payment of all or part of medical benefits. The order may address accrued benefits, future benefits, or both accrued benefits and future benefits.
12. 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.

13. Pursuant to Tex. Lab. Code § 415.002(a)(17), an insurance carrier or its representative commits an administrative violation if it fails to pay an order awarding benefits.
14. Respondent violated Tex. Lab. Code §§ 415.002(a)(17) and (22); 415.0035(e); and 415.021(a) when it failed to timely comply with a MFDR order.

Failure to Timely Pay Interest with Indemnity Benefits

File No. 37581

15. 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.
16. 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.

Order

It is ordered that American Zurich Insurance Company must pay an administrative penalty of \$13,600 within 30 days from the date the Commissioner signs the order.

After receiving an invoice, American Zurich 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:



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

Unsworn Declaration

STATE OF IL

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COUNTY OF Cook

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

1299 Zurich Way, Schaumburg, Cook, IL, 60196.
(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.

Joseph Ragonese
Declarant

Executed on January 29, 2026.