

No. 2020-6394

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

Date: 07-20-2020

Subject Considered:

The Travelers Indemnity Company of Connecticut
One Tower Square
Hartford, Connecticut 06183-6014

Consent Order
DWC Enforcement File No. 24446

General remarks and official action taken:

This is a consent order with The Travelers Indemnity Company of Connecticut (Travelers). The commissioner of the Texas Department of Insurance, Division of Workers' Compensation (DWC) considers whether DWC should take disciplinary action against Travelers.

Waiver

Travelers acknowledges that the Texas Labor Code and other applicable laws provide certain rights. Travelers 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. Travelers 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.

- Travelers was classified as "poor" tier in the 2007 Performance Based Oversight (PBO) assessment. Travelers was classified as "average" tier in the 2009, 2010, 2012, 2014, 2016, and 2018 PBO assessments.

Failure to Timely Pay Accrued [REDACTED]

- Travelers was required to pay [REDACTED] to an injured employee for the period of [REDACTED], through [REDACTED]. The [REDACTED] payment was due on [REDACTED]. Travelers issued payment on [REDACTED], which was eight days late.
- Travelers was required to pay [REDACTED] to the injured employee for the period of [REDACTED], through [REDACTED]. The [REDACTED] payment was due on [REDACTED]. Travelers issued payment on [REDACTED], which was two days late.
- Travelers was required to pay [REDACTED] to the injured employee for the period of [REDACTED], through [REDACTED]. The [REDACTED] payment was due on [REDACTED]. Travelers issued payment on [REDACTED], which was eight days late.
- Travelers was required to pay [REDACTED] to the injured employee for the period of [REDACTED], through [REDACTED]. The [REDACTED] payment was due on [REDACTED]. Travelers issued payment on [REDACTED], which was one day late.

Assessment of Sanction

- Failure to provide income benefits in a timely and cost-effective manner is harmful to injured employees and the Texas workers' compensation system.
- 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: the seriousness of the violation, including the nature, circumstances, consequences, extent, and gravity of the prohibited act; the penalty necessary to deter future violations; and whether the administrative violation had a negative impact on the delivery of benefits to an injured employee.
 4. DWC found the following factors in TEX. LAB. CODE § 415.021(c) and 28 TEX. ADMIN. CODE § 180.26(e) to be mitigating: the violator's demonstration of good faith.
 5. Travelers acknowledges it communicated with DWC about the relevant statutes and rules it violated; the facts establish that the administrative violation occurred; and 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. Travelers 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, 414.003, 415.002, and 415.021.
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)(7), and 28 TEX. ADMIN. CODE § 180.26(h).

3. Travelers 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), an insurance carrier or its representative commits an administrative violation each time it violates a DWC rule.
6. 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.
7. 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.
8. Pursuant to TEX. LAB. CODE § 409.021 and 28 TEX. ADMIN. CODE §§ 124.3 and 124.7, an insurance carrier is required to initiate payment of TIBs no later than the 15th day after it receives written notice of the injury or the seventh day after the accrual date, unless the insurance carrier notifies DWC and the injured employee in writing of its refusal to pay.
9. Travelers violated TEX. LAB. CODE §§ 409.021, 415.002(a)(16), 415.002(a)(20), and 415.002(a)(22), each time it failed to timely pay accrued TIBs.

Commissioner's Order
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Order

It is ordered that The Travelers Indemnity Company of Connecticut must pay an administrative penalty of \$1,600 within 30 days from the date of this order. The Travelers Indemnity Company of Connecticut must pay the administrative penalty by 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 9999, P.O. Box 149104, Austin, Texas 78714-9104.



Cassie Brown
Commissioner of Workers' Compensation

Approved Form and Content:



Tyrus Housh
Staff Attorney, Enforcement
Compliance and Investigations
Division of Workers' Compensation

Affidavit

STATE OF Texas

§

COUNTY OF Dallas

§

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Before me, the undersigned authority, personally appeared Alan Wickman, who being by me duly sworn, deposed as follows:

"My name is Alan Wickman. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of Field Vice President and am the authorized representative of The Travelers Indemnity Company of Connecticut. I am duly authorized by the organization to execute this statement.

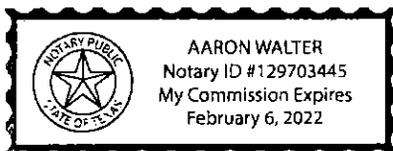
The Travelers Indemnity Company of Connecticut has knowingly and voluntarily entered into this consent order and agrees with and consents to the issuance and service of this consent order."



Affiant

SWORN TO AND SUBSCRIBED before me on June 25, 2020.

(NOTARY SEAL)



Aaron Walter
Signature of Notary Public

Aaron Walter
Printed Name of Notary Public

February 6, 2022
Commission Expiration