

No. **2025-9507**

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

**Date: 8/29/2025**

**Subject Considered:**

Arch Indemnity Insurance Company  
300 Plaza Three  
Jersey City, New Jersey 07311-1107

Consent Order  
DWC Enforcement File Nos. 36688 & 36689

**General remarks and official action taken:**

This is a consent order with Arch Indemnity 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 Pay or Dispute Initial Temporary Income Benefits (TIBs)

File No. 36688

- 3. On [REDACTED], Respondent received notice of an employee’s workplace injury.
- 4. The injured employee’s first day of disability began on [REDACTED]. The eighth day of disability accrued on [REDACTED].
- 5. Respondent was required to initiate or dispute TIBs either 15 days after it received written notice of the injury or seven days after the accrual date, whichever is later. In this case, the latest date was [REDACTED].
- 6. On [REDACTED], Respondent initiated \$ [REDACTED] in TIBs 63 days late.

Failure to Timely Pay Accrued TIBs

File No. 36689

- 7. Respondent was required to pay TIBs to the same injured employee from [REDACTED] through [REDACTED]. The TIBs payments were due seven days after the first day of the pay period. Respondent failed to timely pay \$ [REDACTED] TIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	[REDACTED] to [REDACTED]	[REDACTED]	[REDACTED]	57
b.	[REDACTED] to [REDACTED]	[REDACTED]	[REDACTED]	50
c.	[REDACTED] to [REDACTED]	[REDACTED]	[REDACTED]	43
d.	[REDACTED] to [REDACTED]	[REDACTED]	[REDACTED]	36
e.	[REDACTED] to [REDACTED]	[REDACTED]	[REDACTED]	29
f.	[REDACTED] to [REDACTED]	[REDACTED]	[REDACTED]	22
g.	[REDACTED] to [REDACTED]	[REDACTED]	[REDACTED]	15
h.	[REDACTED] to [REDACTED]	[REDACTED]	[REDACTED]	8
i.	[REDACTED] to [REDACTED]	[REDACTED]	[REDACTED]	1

- 8. On [REDACTED], Respondent paid \$ [REDACTED] in interest 27 days late.

### 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;
  - 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 that \$ [REDACTED] in benefits and due interest were delivered up to 63 days late;
  - b. Respondent's history of similar administrative violations, including nine consent orders involving late benefits in the past five years;
  - c. the penalty necessary to deter future violations, considering both late benefit violations in this matter harmed the same injured employee;
  - d. the negative impact on the delivery of \$ [REDACTED] in benefits to an injured employee; and
  - e. Respondent's 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 mitigating: on [REDACTED], and [REDACTED], Respondent provided additional training on TIBs payments.
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; 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 § 408.101, an employee is entitled to TIBs if the employee has a disability and has not attained maximum medical improvement.
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.

7. Pursuant to Tex. Lab. Code §§ 408.081; 408.082; 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.
8. 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.
9. 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.
10. Respondent violated Tex. Lab. Code §§ 409.021; 415.002(a)(16), (20), and (22); and 28 Tex. Admin. Code §§ 124.3 and 124.7 by failing to timely pay or dispute initial TIBs.
11. Respondent violated Tex. Lab. Code §§ 408.081; 409.023; 415.002(a)(16), (20), and (22); and 28 Tex. Admin. Code § 124.7 by failing to timely pay accrued TIBs.

**Order**

It is ordered that Arch Indemnity 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, Arch Indemnity 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.

  
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Jeff Nelson  
Commissioner  
TDI, Division of Workers' Compensation

Approved Form and Content:

  
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Nikki Kar for Austin Southerland  
Austin Southerland  
Staff Attorney, Enforcement  
Compliance and Investigations  
TDI, Division of Workers' Compensation

**Unsworn Declaration**

**STATE OF** New Jersey §  
§  
**COUNTY OF** Hudson §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Kevin Patterson. I hold the position of Assistant Vice President and am the authorized representative of Arch Indemnity Insurance Company. My business address is: 210 Hudson Street Suite 600, Jersey City, Hudson, NJ, 07311.  
(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.

Kevin Patterson  
Declarant

Executed on August 19, 2025.