

No. **2025-9545**

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

Date: 10/13/2025

Subject Considered:

Amerisure Insurance Company
PO Box 2060
Farmington Hills, Michigan 48333-2060

Consent Order
DWC Enforcement File No. 36617

General remarks and official action taken:

This is a consent order with Amerisure 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.

DWC Audit No. IBA-25-102

3. On [REDACTED], DWC initiated DWC Audit No. IBA-25-102 to determine whether Respondent complied with the Texas Labor Code and related rules on the timely payment of lifetime income benefits (LIBs) and death benefits as well as timely submitting claim data to DWC.
4. The audit examined death benefit payments that Respondent reported issuing between [REDACTED], and [REDACTED]. DWC identified six initial death benefit claims for audit. All six claims were reviewed to determine Respondent's compliance.
5. The audit focused on the accuracy of Respondent's payment of death benefits, as well as timely submitting claim data to DWC. The electronic data interchange (EDI) portion of the audit focused on timely reporting death benefit terminations.

Failure to Timely Pay Accurate Death Benefits

6. Respondent failed to timely pay accurate death benefits for 33% of examined payments (2 out of 6).
7. Specifically, Respondent underpaid [REDACTED] in death benefits over 477 weeks in the two instances.

Assessment of Sanction

1. Failure to provide death benefits or lifetime income benefits in a timely and cost-effective manner is harmful to injured employees or beneficiaries under particularly stressful circumstances, and increases the likelihood of disputes in 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 or their beneficiaries;
 - the history of compliance with EDI 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 [REDACTED] in benefits delivered up to 1,679 days late to three beneficiaries;
 - b. the economic benefit resulting from the prohibited act;
 - c. the penalty necessary to deter future violations; and
 - d. the negative impact on the delivery of [REDACTED] in benefits to three beneficiaries.
4. As a matter of justice, DWC considered as mitigating the fact that this matter results from a DWC audit and not a system participant complaint and that Respondent has not received prior discipline for death benefit delivery 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).
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, 409.021, 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 Pay Accurate Death Benefits

6. Pursuant to Tex. Lab. Code §§ 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 § 408.061(d), a weekly death benefit may not exceed 100% of the state average weekly wage rounded to the nearest whole dollar.
8. Pursuant to Tex. Lab. Code § 408.181(a) and (b), an insurance carrier must pay accurate death benefits to a legal beneficiary. The amount of a death benefit is equal to 75% of the employee's average weekly wage.
9. Pursuant to 28 Tex. Admin. Code § 132.17(f), an insurance carrier must initiate payment of death benefits to eligible claimants. If the insurance carrier believes a claimant is not eligible, it must file a notice of dispute of eligibility in the form and manner DWC prescribes.
10. Respondent violated Tex. Lab. Code §§ 408.181, 409.023, 415.002(a)(16), (20), and (22) and 28 Tex. Admin. Code § 132.17 each time Respondent failed to timely pay accurate death benefits.

Order

It is ordered that:

1. Amerisure Insurance Company must pay a \$20,000 administrative penalty within 30 days from the date the Commissioner signs the order.

After receiving an invoice, Amerisure 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.

2. Amerisure Insurance Company shall initiate a self-audit of all claims in which lifetime income benefits or death benefits were paid. This self-audit is intended to ensure compliance with the Texas Workers' Compensation Act and DWC rules. The self-audit shall not operate as a waiver or limitation of the DWC's authority to (1) initiate or conduct any future investigations, enforcement actions, or proceedings to address potential administrative violations found in the self-audit; (2) use the findings or documents from the self-audit as evidence in enforcement proceedings; (3) conduct future audits of the claims identified in the self-audit; or (4) assess an administrative penalty to address administrative violations identified in the self-audit.
3. Amerisure Insurance Company shall complete the self-audit(s) as follows:
 - a. Amerisure Insurance Company shall self-audit over four consecutive full calendar quarters, beginning with the first full calendar quarter after the execution date of this order. The audit periods are defined as follows:
 - (1) January 1, through March 31;
 - (2) April 1, through June 30;
 - (3) July 1, through September 30; and
 - (4) October 1, through December 31;
 - b. In each quarterly audit, Amerisure Insurance Company shall audit the following:
 - (1) The eligibility of each claimant or beneficiary for benefits;
 - (2) Timeliness of any lifetime income or death benefit payments;
 - (3) Accuracy of benefit payment calculations and amounts;

- (4) The status or resolution of claims in the dispute resolution process as defined by Texas Labor Code, Chapter 410;
 - (5) Identification of claims with unpaid benefits owed to the subsequent injury fund; and
 - (6) Compliance with applicable notification and reporting requirements related to lifetime income benefits or death benefits, as required by the Texas Workers' Compensation Act and DWC rules;
- c. Within 30 days following the end of each quarterly period, Amerisure Insurance Company shall submit to DWC a written report summarizing the findings of the self-audit for each completed period. The report must at minimum include the following information for all claims reviewed in the audit:
- (1) The DWC claim number;
 - (2) The name and current contact information (e.g., mailing address, email, and phone number) for each claimant or beneficiary;
 - (3) Identification of any beneficiaries who are minors, students, or disabled dependents;
 - (4) Wage information, including a description of the supporting documentation used to calculate wages (e.g., DWC-003 forms, documentation from claimants, beneficiaries, employers, or other reasonable sources);
 - (5) The calculation method used to determine the benefit amount;
 - (6) A complete payment summary for each beneficiary;
 - (7) Identification of any benefits paid to the subsequent injury fund; and
 - (8) A description of any deficiencies, errors, or omissions identified during the audit, along with details of corrective actions taken or planned, including a timeline for completion of those actions if not already implemented;
- d. Amerisure Insurance Company shall retain a copy of each self-audit report and all supporting documentation for at least one year following the end of the fourth and final audited calendar quarter; and
- e. Amerisure Insurance Company shall submit the self-audits reports via email to DWCEnforcement@tdi.texas.gov no later than 30 days after the close of any quarter. Each report must include a certification of its truthfulness and accuracy, signed by an authorized representative of Amerisure Insurance

Company. Failure to provide a timely and accurate self-audit report for each completed period is a violation of a commissioner order.



Jeff Nelson
Commissioner
TDI, Division of Workers' Compensation

Approved Form and Content:



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

Unsworn Declaration

STATE OF Texas §
§
COUNTY OF Dallas §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Lindsay Huffman. I hold the position of Director of WC Claims and am the authorized representative of Amerisure Insurance Company. My business address is:
26777 Halsted Rd, Farmington Hills, Oakland, MI, 48331.
(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.

Lindsay Huffman
Declarant

Executed on 09/16, 2025.

Confidential Information Redacted
Texas Labor Code §§402.083 and 402.092