

No. **2026-9758**

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

Date: 1/27/2026

Subject Considered:

American Zurich Insurance Company
1299 Zurich Way
Schaumburg, Illinois 60196-5870

Consent Order
DWC Enforcement File Nos. 37305 & 37368

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 and Accurately Pay Initial and Accrued Temporary Income Benefits (TIBs)

File No. 37368

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 \$896 in TIBs 11 days late.
7. Then, Respondent was required to pay accrued TIBs to the injured employee from [REDACTED], through [REDACTED]. The TIBs payment was due by [REDACTED].
8. On [REDACTED], Respondent paid \$448 in TIBs four days late.
9. Again, Respondent was required to pay accrued TIBs to the injured employee from [REDACTED], through [REDACTED]. The TIBs payment was due by [REDACTED].
10. On [REDACTED], Respondent paid \$320 in TIBs, underpaying by \$128.
11. On [REDACTED], Respondent sent a Plain Language Notice Form-01 (PLN 1), *Notice of Denial of Compensability/Liability and Refusal to Pay Benefits*, to the injured employee. In the PLN 1, Respondent denied that the injured employee sustained a compensable injury. However, Respondent still owed accrued TIBs up until the date of denial.
12. On [REDACTED], Respondent paid the underpaid TIBs with interest.

Failure to Timely Pay a Subsequent Quarter of Supplemental Income Benefits (SIBs)

File No. 37305

13. On [REDACTED], Respondent received a DWC Form-052, *Application for Supplemental Income Benefits*, for the 19th quarter of SIBs, which began on [REDACTED].
14. Respondent's payment for the first month of the 19th quarter was due by the 10th day after Respondent received the application for SIBs or the seventh day of the 19th quarter, whichever is later. In this case, the latest date was [REDACTED].
15. On [REDACTED], Respondent paid \$2,042.64 in SIBs and interest for the first month of the 19th quarter, one day late.
16. Respondent's payment for the third month of the 19th quarter was due by the 67th day of the quarter, which was [REDACTED].
17. On [REDACTED], Respondent paid \$2,040.64 in SIBs for the third month of the 19th quarter five days late. Respondent did not pay interest.
18. On [REDACTED], Respondent paid interest 21 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;

- 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:
- a. the violations are serious, involving six benefits periods delayed up to 39 days;
 - b. Respondent has a history of similar administrative violations, including 23 consent orders and one warning letter involving TIBs and SIBs violations;
 - c. a penalty is necessary to deter future violations;
 - d. the conduct had a negative impact on the delivery of \$5,873.28 in benefits to two injured employees; and
 - e. Respondent has a heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules.
4. DWC is aware of no mitigating factors 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, 402.00111, 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 Pay Initial TIBs

File No. 37368

6. 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.
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 §§ 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.

9. Respondent violated Tex. Lab. Code §§ 409.021; 415.002(a)(16), (20), and (22); and 28 Tex. Admin. Code §§ 124.3 and 124.7 when it failed to timely pay initial TIBs.

Failure to Timely Pay Accrued TIBs

File No. 37368

10. Pursuant to Tex. Lab. Code §§ 408.081, 408.082, and 28 Tex. Admin. Code §124.7, an insurance carrier is required to initiate payment of TIBs no later than the seventh day after the accrual date.
11. Respondent violated Tex. Lab. Code §§ 409.023; 415.002(a)(16), (20) and (22); and 28 Tex. Admin. Code § 124.7 each time Respondent failed to timely pay accrued TIBs.

Failure to Accurately Pay TIBs

File No. 37368

12. 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.
13. 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 Pay a Subsequent Quarter of SIBs

File No. 37305

14. Pursuant to Tex. Lab. Code § 408.144(a), SIBs are calculated quarterly and paid monthly.
15. Pursuant to Tex. Lab. Code § 408.145, an insurance carrier must pay SIBs no later than the seventh day after the employee's impairment income benefit period expires and must continue to pay the benefits in a timely manner.

16. Pursuant to Tex. Lab. Code § 409.023, an insurance carrier must continue to pay benefits promptly as and when benefits accrue without a final decision, order, or other action from the commissioner, except as otherwise provided.
17. Pursuant to 28 Tex. Admin. Code § 130.107(b), an insurance carrier must make the first payment of SIBs for a subsequent quarter by the 10th day after receiving the Application for SIBs or the seventh day of the quarter. The insurance carrier must make the second payment by the 37th day of the quarter and the third payment by the 67th day of the quarter.
18. Respondent violated Tex. Lab. Code §§ 408.145; 409.023; 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 130.107(b) when Respondent failed to timely pay SIBs.

Failure to Timely Pay Interest with Indemnity Benefits

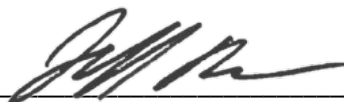
File Nos. 37305

19. 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.
20. 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 \$4,250 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:



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

Unsworn Declaration

STATE OF IL §
§
COUNTY OF Cook §

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 December 4, 2025.