

No. **2026-9794**

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

Date: 2/12/2026

Subject Considered:

Indemnity Insurance Company of North America
115 Wild Basin Road, Suite 207
West Lake Hills, Texas 78746

Consent Order
DWC Enforcement File Nos. 37312 & 37313

General remarks and official action taken:

This is a consent order with Indemnity Insurance Company of North America (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)

File No. 37312

3. On [REDACTED], Respondent and an injured employee executed a BDA agreeing that the injured employee had disability from [REDACTED] through [REDACTED] reached maximum medical improvement on [REDACTED], and had a [REDACTED] impairment rating.
4. On [REDACTED], Respondent received the DWC-approved BDA.
5. Respondent was required to pay benefits as agreed or five days from executing the BDA. In this case, the deadline to pay was [REDACTED].
6. On [REDACTED], Respondent paid [REDACTED] in income benefits 48 days late.

Failure to Timely Contact the Employer after Receiving Notification of An Injury

File No. 37313

7. On [REDACTED], Respondent received a *Notice to Carrier of Injury (Form CS-11)* from DWC that contained sufficient information to be considered a notice of injury.
8. Respondent had not received notice of the injury prior to receiving this Form CS-11.
9. Because Respondent first received notice of the injury from DWC, Respondent was required to contact the employer within seven days of receiving the Form CS-11 from DWC, or [REDACTED].
10. On [REDACTED], Respondent contacted the employer eight days late.

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. Prompt communication between participants in the workers' compensation system regarding notices of injury minimizes disputes and is imperative to DWC's goal of ensuring that injured employees have access to prompt, high-quality medical care.

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, negatively impacting the delivery of [REDACTED] in benefits 48 days late;
 - b. Respondent's history of violations includes one consent order involving late compliance with BDAs, and five prior actions involving failure to contact employers, which is a pattern of practice;
 - c. a penalty is necessary to deter future violations considering Respondent has had 214 administrative violations since January 2021;
 - d. Respondent received an economic benefit as a result of paying income benefits and accrued interest late; and

- e. Respondent is the 11th largest workers' compensation insurance carrier in Texas and has a heightened awareness of the 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

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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 Contact the Employer after Receiving Notification of An Injury

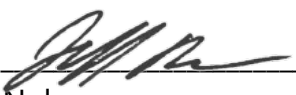
File No. 37313

8. Pursuant to 28 Tex. Admin. Code § 124.1(a)(1)-(3), written notice of injury, as used in Tex. Lab. Code § 409.021, consists of the insurance carrier's earliest receipt of:
 - (1) the *Employer's First Report of Injury* as described in 28 Tex. Admin. Code § 120.2;
 - (2) a notification from DWC as described in 28 Tex. Admin. Code § 124.1(e); or
 - (3) if no Employer's First Report of Injury has been filed, any other communication regardless of source, which fairly informs the insurance carrier of the name of the injured employee, the identity of the employer, the approximate date of the injury and information which asserts the injury.
9. Pursuant to 28 Tex. Admin. Code § 124.1 (e), DWC shall furnish written notification to the carrier when a source other than the carrier reports an injury that may cause the employee eight days or more of disability or has resulted in an impairment.
10. Pursuant to 28 Tex. Admin. Code § 124.1(f), an insurance carrier must contact the employer within seven days of receiving a notification of an injury for which no DWC Form-001 has been received.
11. Respondent violated Tex. Lab. Code § 415.002(a)(20) and 28 Tex. Admin. Code § 124.1(f) when it failed to timely contact the employer after receiving a notification of an injury from DWC when it did not have prior notice of an injury.

Order


It is ordered that Indemnity Insurance Company of North America must pay an administrative penalty of \$5,750 within 30 days from the date the Commissioner signs the order.

After receiving an invoice, Indemnity Insurance Company of North America 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 Delaware §
§
COUNTY OF New Castle §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Daniel S. Hawthorne. I hold the position of VP, Claim Compliance and am the authorized representative of Indemnity Insurance Company of North America. My business address is:

1 Beaver Valley Road, Wilmington, New Castle, Delaware, 19803.
(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.

Daniel S. Hawthorne
Declarant

Executed on January 13, 2026.