

No. **2026-9804**

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

Date: 2/18/2026

Subject Considered:

XL Specialty Insurance Company
677 Washington Boulevard, Suite 1000
Stamford, Connecticut 06901-3717

Consent Order
DWC Enforcement File No. 37748

General remarks and official action taken:

This is a consent order with XL Specialty 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 multiple lines of insurance in Texas, including workers' compensation/employers' liability insurance.
2. Respondent was classified as "average" tier in the 2024, 2022, and 2020 Performance Based Oversight (PBO) assessments.

Failure to Pay Temporary Income Benefits (TIBs) in Accordance with a Designated Doctor (DD) Report

3. On [REDACTED], Respondent received notice of an employee's workplace injury.
4. On [REDACTED], Respondent received a DD report of a DD examination performed on [REDACTED].
5. The DD determined the injured employee had disability from [REDACTED], [REDACTED], because of a compensable injury.
6. Respondent was required to pay accrued TIBs no later than five days after receiving the DD report. The deadline to pay TIBs was [REDACTED].
7. By [REDACTED], Respondent determined the TIBs rate was [REDACTED] per week. Respondent made this determination based on its own assessment of the injured employee's average weekly wage (AWW) because Respondent had not yet received a DWC Form-3, *Employer's Wage Statement* (DWC-3). As of [REDACTED], Respondent owed [REDACTED] in TIBs and [REDACTED] in attorney fees.
8. On [REDACTED], Respondent paid [REDACTED] in TIBs to the injured employee seven days late. This created an overpayment of [REDACTED] in TIBs to the injured employee.

Failure to Timely Pay Underpaid Income Benefits

9. On [REDACTED], Respondent received a complete DWC-3 from the employer indicating the injured employee's average weekly wage (AWW) was [REDACTED] and the proper TIBs rate was [REDACTED]. Based on the proper TIBs rate, the underpayment of TIBs was [REDACTED] for the benefit period between [REDACTED], to [REDACTED].
10. Respondent was required to cure the underpayment plus interest within seven days of receiving the DWC-3, or by [REDACTED].
11. By [REDACTED], Respondent owed [REDACTED] in TIBs and [REDACTED] in attorney fees.
12. On [REDACTED], Respondent paid [REDACTED] in TIBs 16 days late. However, due to the overpayment on [REDACTED], Respondent overpaid TIBs by [REDACTED].

13. On [REDACTED], Respondent paid [REDACTED] to the injured employee's attorney, overpaying the attorney [REDACTED].

Failure to Timely Pay Interest

14. On [REDACTED], Respondent paid [REDACTED] in interest 49 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 violation, including up to [REDACTED] in benefits delayed up to 16 days;

- b. Respondent's history of similar administrative violations, including 12 consent orders and eight warning letters involving late benefits;
 - c. evidence of heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules;
 - d. the penalty necessary to deter future violations; and
 - e. the 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:
 - a. the adjuster responsible for failing to initiate payment based on the DD report is no longer employed by the TPA.
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, and 414.002.
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 Pay TIBs in Accordance with a DD Report

6. Pursuant to Tex. Lab. Code § 408.0041(f), the insurance carrier must pay benefits based on the opinion of the DD during any pending dispute.
7. 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.
8. 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.
9. Pursuant to 28 Tex. Admin. Code § 127.10(i), the insurance carrier must pay all benefits in accordance with the DD report for the issues in dispute no later than five days after receiving the report.
10. Respondent violated Tex. Lab. Code §§ 408.0041(f); 409.023; 415.002(a)(16), (20), and (22); and 28 Tex. Admin. Code § 127.10(i) by failing to timely pay accrued income benefits in accordance with the DD report no later than five days after receiving the report.

Failure to Timely Pay Underpaid Income Benefits

11. Pursuant to 28 Tex. Admin. Code § 126.15(b), if the insurance carrier determines that an underpayment of income benefits has occurred, the insurance carrier shall pay the full amount of the underpayment with interest on accrued but unpaid benefits within seven days of the determination.
12. Respondent violated Tex. Lab. Code §§ 408.081; 409.023; 415.002(a)(16), (20), and (22); and 28 Tex. Admin. Code § 126.15(b) by failing to timely pay an underpayment of income benefits.

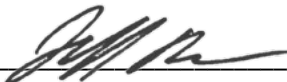
Failure to Timely Pay Interest

13. 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.
14. 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 XL Specialty Insurance Company must pay an administrative penalty of \$5,500 within 30 days from the date the Commissioner signs the order.

After receiving an invoice, XL Specialty 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:



Daniel Garcia
Staff Attorney, Enforcement
Compliance and Investigations
TDI, Division of Workers' Compensation

Unsworn Declaration

STATE OF Illinois §
§
COUNTY OF Cook §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Lynn Munson. I hold the position of V.P. Claims Regulatory and am the authorized representative of XL Specialty Insurance Company. My business address is: 111 S. Wacker Dr., Suite 4000, Chicago, Cook, IL, 60606.
(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.

Lynn Munson
Declarant

Executed on January 8, _____, 2026.