

No. **2026-9832**

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

**Date: 3/6/2026**

**Subject Considered:**

Ace American Insurance Company  
5316 West Highway 290, Suite 340  
Austin, Texas 78735

Consent Order  
DWC Enforcement File Nos. 37573 & 37732

**General remarks and official action taken:**

This is a consent order with Ace American 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 Accrued Impairment Income Benefits (IIBs) Based on a Designated Doctor (DD) Report and Timely Pay Accrued IIBs

File No. 37573

3. On [REDACTED], Respondent received a DD report of a DD examination performed on [REDACTED].
4. The DD determined that the injured employee reached maximum medical improvement (MMI) on [REDACTED], with a [REDACTED] impairment rating.
5. Respondent was required to pay IIBs no later than five days after receiving the DD report. The deadline to pay benefits was [REDACTED].
6. By [REDACTED], Respondent owed [REDACTED] in IIBs.
7. Respondent was also required to pay IIBs to the injured employee from [REDACTED] through [REDACTED]. The IIBs payments were due seven days after the first day of each pay period.
8. By [REDACTED], Respondent owed [REDACTED] in IIBs.
9. On [REDACTED], Respondent paid the [REDACTED] in IIBs due by [REDACTED], 51 days late. Further, Respondent failed to timely pay [REDACTED] IIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	[REDACTED]	[REDACTED]	[REDACTED]	47
b.	[REDACTED]	[REDACTED]	[REDACTED]	40
c.	[REDACTED]	[REDACTED]	[REDACTED]	33
d.	[REDACTED]	[REDACTED]	[REDACTED]	26
e.	[REDACTED]	[REDACTED]	[REDACTED]	16
f.	[REDACTED]	[REDACTED]	[REDACTED]	12

10. On [REDACTED], Respondent paid [REDACTED], underpaying IIBs by [REDACTED]
11. On [REDACTED], Respondent corrected the underpayment 187 days late.

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

File No. 37732

12. On [REDACTED], Respondent received a DD report of a DD examination performed on [REDACTED].
13. The DD determined the injured employee had disability from [REDACTED], to [REDACTED], because of a compensable injury.
14. Respondent was required to pay accrued TIBs no later than five days after receiving the DD report. The deadline to pay TIBs was [REDACTED].
15. On [REDACTED], Respondent paid [REDACTED] in TIBs 45 days late.
16. On [REDACTED], Respondent paid [REDACTED] in interest 14 days late.

Failure to Timely Pay Accrued TIBs

17. After receiving the DD report on [REDACTED], Respondent did not dispute disability for the benefit periods after [REDACTED]. Thus, Respondent was also required to pay TIBs 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] in TIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	[REDACTED]	[REDACTED]	[REDACTED]	66
b.	[REDACTED]	[REDACTED]	[REDACTED]	59
c.	[REDACTED]	[REDACTED]	[REDACTED]	52
d.	[REDACTED]	[REDACTED]	[REDACTED]	45
e.	[REDACTED]	[REDACTED]	[REDACTED]	38
f.	[REDACTED]	[REDACTED]	[REDACTED]	31
g.	[REDACTED]	[REDACTED]	[REDACTED]	24
h.	[REDACTED]	[REDACTED]	[REDACTED]	17
i.	[REDACTED]	[REDACTED]	[REDACTED]	10
j.	[REDACTED]	[REDACTED]	[REDACTED]	3

### 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 violations are serious, involving [REDACTED] in IIBs delivered up to 51 days late, 31 weeks of TIBs paid up to 66 days late, and an IIBs underpayment corrected 187 days late;
  - b. Respondent has a significant history of similar administrative violations, including 54 consent orders involving late IIBs/TIBs in the last five years;
  - c. a penalty is necessary to deter future violations;
  - d. the violations negatively impacted the delivery of [REDACTED] in income benefits to two injured employees; and
  - e. Respondent is the fifth largest workers' compensation insurance carrier in Texas and had the fourth highest number of violations in fiscal year 2025.

Thus, Respondent has a heightened awareness of its 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, 402.00114, 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 Pay Accrued IIBs Based on a DD Report

*File No. 37573*

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 § 408.0041(f), an insurance carrier must pay benefits based on the opinion of the DD during any pending dispute.
8. Pursuant to 28 Tex. Admin. Code § 127.10(i), an 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.
9. 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 Accrued IIBs

*File No. 37573*

10. 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.
11. Pursuant to Tex. Lab. Code § 408.121(a), an employee's entitlement to IIBs begins the day after the employee reaches MMI and ends on the earlier of the date of expiration of a period computed at the rate of three weeks for each percentage point of impairment or the date of the employee's death.
12. Respondent violated Tex. Lab. Code §§ 408.081; 409.023; and 415.002(a)(16) and (22) each time Respondent failed to timely pay accrued IIBs.

Failure to Pay TIBs in Accordance with a DD Report

*File No. 37732*

13. 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.
14. Pursuant to Tex. Lab. Code § 408.101, an employee is entitled to TIBs if the employee has a disability and has not attained MMI.
15. Pursuant to Tex. Lab. Code § 408.0041(f), an insurance carrier must pay benefits based on the opinion of the DD during any pending dispute.
16. Pursuant to 28 Tex. Admin. Code § 127.10(i), an 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.
17. 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 Accrued TIBs

*File No. 37732*

18. 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.
19. Pursuant to Tex. Lab. Code § 408.101, an employee is entitled to TIBs if the employee has a disability and has not attained MMI.
20. 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.

21. Respondent violated Tex. Lab. Code §§ 408.081; 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 Timely Pay Interest with Indemnity Benefits


*File No. 37732*

22. Pursuant to Tex. Lab. Code § 408.064 and 28 Tex. Admin. Code § 127.10(i), accrued but unpaid income benefits and interest shall be paid in a lump sum.
23. Respondent violated Tex. Lab. Code §§ 408.064; 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 127.10(i) by failing to timely pay interest with accrued but unpaid income benefits.

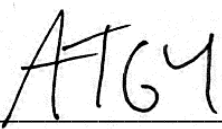
**Order**

It is ordered that Ace American Insurance Company must pay an administrative penalty of \$25,500 within 30 days from the date the Commissioner signs the order.

After receiving an invoice, Ace American 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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Alberto Garcia  
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 Ace American Insurance Company. 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 27, 2026.