

No. **2026-9887**

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

Date: 4/17/2026

Subject Considered:

Arch Insurance Company
210 Hudson Street, Suite 300
Jersey City, New Jersey 07311-1206

Consent Order
DWC Enforcement File Nos. 37734, 38009, & 38110

General remarks and official action taken:

This is a consent order with Arch 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 Impairment Income Benefits Based on a Designated Doctor Report

File No. 37734

3. On Dec. 2, 2024, Respondent received a designated doctor (DD) report of a DD examination performed on Nov. 23, 2024.
4. The DD determined that the injured employee reached maximum medical improvement (MMI) on [REDACTED], with an [REDACTED] % impairment rating.
5. Respondent was required to pay accrued impairment income benefits (IIBs) no later than five days after receiving the DD report, or by Dec. 9, 2024.
6. On Jan. 27, 2025, Respondent initiated \$3,288 in IIBs in accordance with the DD report 49 days late.

Failure to Timely Pay Accrued IIBs

7. Additionally, Respondent was required to pay accrued IIBs for the period between Dec. 12, 2024, and Jan. 29, 2025, for the same injured employee. The IIBs payments were due seven days after the first day of the pay period. Respondent failed to timely pay \$5,754 in IIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	12-12-2024 to 12-18-2025	12-19-2025	03-13-2025	84
b.	12-19-2024 to 12-25-2024	12-27-2024	03-13-2025	76
c.	12-26-2024 to 01-01-2025	01-02-2025	03-13-2025	70
d.	01-02-2025 to 01-08-2025	01-09-2025	03-13-2025	63
e.	01-09-2025 to 01-15-2025	01-16-2025	03-13-2025	56
f.	01-16-2025 to 01-22-2025	01-23-2025	03-13-2025	49
g.	01-23-2025 to 01-29-2025	01-30-2025	03-13-2025	42

Failure to Timely Pay Attorney Fees Ordered by DWC

File No. 38009

8. Between Oct. 30, 2024, and June 9, 2025, DWC issued 16 Attorney Fee Orders requiring Respondent to pay \$14,875 in attorney fees at a rate of 25% of each income benefit paid to the injured employee.
9. Between Nov. 13, 2024, and Aug. 26, 2025, Respondent paid benefits to the injured employee (IE) on multiple dates. However, Respondent failed to pay \$8,417.05 in attorney fees as follows:

	Benefits Paid to IE	Attorney Fee Owed	Date Due	Date Paid	Days Late
a.	\$1,174	\$293.50	11-13-2024	12-04-2024	21
b.	\$1,174	\$293.50	11-13-2024	12-04-2024	21
c.	\$1,174	\$293.50	11-26-2024	12-04-2024	8
d.	\$1,174	\$293.50	12-11-2024	01-02-2025	22
e.	\$1,174	\$293.50	12-18-2025	01-02-2025	15
f.	\$1,174	\$293.50	12-23-2024	01-02-2025	10
g.	\$1,174	\$293.50	01-01-2025	01-02-2025	1
h.	\$1,174	\$293.50	01-08-2025	01-27-2025	19
i.	\$1,174	\$293.50	01-15-2025	01-27-2025	12
j.	\$2,027.81	\$256	01-28-2025	02-04-2025	7
k.	\$1,174	\$293.50	03-25-2025	05-02-2025	39
l.	\$1,174	\$293.50	04-01-2025	05-02-2025	31
m.	\$1,174	\$293.50	04-08-2025	05-02-2025	24
n.	\$16,186	\$627.75	04-11-2025	05-02-2025	21
o.	\$880.50	\$293.50	05-15-2025	05-16-2025	1
p.	\$880.50	\$293.50	05-22-2025	05-23-2025	1
q.	\$880.50	\$293.50	05-30-2025	06-13-2025	14
r.	\$1,148.75	\$293.50	06-06-2025	06-20-2025	14
s.	\$880.50	\$293.50	06-13-2025	06-27-2025	14
t.	\$880.50	\$293.50	06-20-2025	07-22-2025	32
u.	\$880.50	\$293.50	06-27-2025	07-29-2025	32
v.	\$1,957.20	\$489.30	07-22-2025	08-12-2025	21
w.	\$880.50	\$293.50	07-29-2025	08-19-2025	21

<p>Confidential Information Redacted Texas Labor Code §§402.083 and 402.092</p>
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x.	\$880.50	\$293.50	08-05-2025	08-26-2025	21
y.	\$880.50	\$293.50	08-12-2025	09-02-2025	21
z.	\$880.50	\$293.50	08-19-2025	09-09-2025	21
aa.	\$880.50	\$293.50	08-26-2025	09-16-2025	21

Failure to Comply with a DWC Order

File No. 38110

10. On Aug. 18, 2025, Respondent received Medical Fee Dispute Resolution (MFDR) Findings and Decision Order No. M4-25-2298-01 requiring Respondent to pay \$95,518.61 plus interest to a health care provider (HCP) by Sept. 17, 2025.
11. On Oct. 17, 2025, Respondent paid \$95,518.61 to the HCP 30 days late.
12. However, Respondent did not fully comply with the MFDR Order until Oct. 21, 2025, when it paid \$4,937.66 in accrued interest 34 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. Failure to timely pay attorney fees ordered by DWC hinders the division's goal of providing a fair and accessible dispute resolution process and is harmful to the Texas workers' compensation system.
3. Failure to timely comply with DWC orders for payment of medical bills is not cost-effective, increases the likelihood of disputes, and causes economic harm. Further, non-compliance with a DWC order interferes with DWC's ability to regulate and diminishes faith in the Texas workers' compensation system.
4. 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.
5. 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 \$9,042 in IIBs paid up to 84 days late, and order violations for attorney fees and MFDR, which are priority violations under Tex. Lab. Code § 402.0235;
 - b. Respondent has a history of similar administrative violations, including 19 consent orders involving late benefits;
 - c. a penalty is necessary to deter future violations; and
 - d. the violations negatively impacted the delivery of income benefits to an injured employee; and
 - e. Respondent is the third largest workers' compensation insurance carrier in Texas and has heightened awareness of its legal duty to comply with the Texas Workers' Compensation Act and DWC rules.
6. DWC found the following factors in Tex. Lab. Code § 415.021(c) and 28 Tex. Admin. Code § 180.26(e) to be mitigating:
- a. other matters that justice may require, including the fact that the adjusters responsible in file nos. 37734 and 38009 are no longer employed by Respondent.
7. 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).

8. 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.
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 §§ 415.0035(e) and 415.021(a), an insurance carrier commits an administrative violation if it violates, fails to comply with, or refuses to comply with a DWC order.

Failure to Pay IIBs Based on a DD Report

File No. 37734

8. 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.
9. 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.
10. Respondent violated Tex. Lab. Code §§ 408.0041(f), 409.023, and 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

11. Pursuant to Tex. Lab. Code § 408.121(b) and 28 Tex. Admin. Code § 130.8, an employee's entitlement to IIBs begins the day after the employee reaches maximum medical improvement (MMI) and, when the date of MMI is not disputed, the carrier shall initiate payment of IIBs on or before the fifth day after the date of receipt of the employee's doctor's medical evaluation report.
12. Respondent violated Tex. Lab. Code §§ 408.121; 415.002(a)(16), (20) and (22); and 28 Tex. Admin. Code § 130.8 by failing to timely pay income benefits weekly as they accrue.

Failure to Timely Pay Attorney Fees Ordered by DWC

File No. 38009

13. Pursuant to 28 Tex. Admin. Code § 152.1(c), insurance carriers are required to pay attorney fees ordered by DWC. The insurance carrier must begin payment out of the approved income benefits by mailing a check to the attorney within seven days after receiving the order. As the insurance carrier pays income benefits, it must pay attorney fees until the fees are completely paid or income benefits cease.

14. Respondent violated Tex. Lab. Code §§ 415.002(a)(20) and (22); 415.021(a); 415.0035(e); and 28 Tex. Admin. Code § 152.1(c) by failing to timely comply with multiple DWC orders to pay attorney fees.

Failure to Comply with a DWC Order

File No. 38110

15. Pursuant to Tex. Lab. Code § 415.002(a)(17), an insurance carrier or its representative commits an administrative violation if it fails to pay an order awarding benefits.
16. Respondent violated Tex. Lab. Code §§ 415.002(a)(17) and (22); 415.021(a); and 415.0035(e) by failing to comply with a MFDR order.


Order

It is ordered that Arch Insurance Company must pay an administrative penalty of \$20,000 within 30 days from the date the Commissioner signs the order.

After receiving an invoice from DWC, Arch Insurance Company must pay the administrative penalty either: (1) by electronic transfer using the State Invoice Payment Service; OR (2) by company check, cashier's check, or money order.


To ensure proper check or money order processing:

- Make the check payable to "Texas Division of Workers' Compensation";
- Enclose a copy of the attached invoice with the check or money order; and
- Mail the check or money order to the Texas Department of Insurance, Attn: DWC Enforcement Section, MC AO-9999, P.O. 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 New Jersey §
§
COUNTY OF Hudson §

Pursuant to the Tex. Civ. Prac. and Rem. Code § 132.001(a), (b), and (d), my name is Kevin Patterson. I hold the position of Assistant Vice President and am the authorized representative of Arch Insurance Company. My business address is:
210 Hudson Street Suite 600, Jersey City, Hudson, NJ, 07311.
(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.

Kevin Patterson
Declarant

Executed on March 4th, 2026.

Confidential Information Redacted
Texas Labor Code §§402.083 and 402.092