

No. **2026-9913**

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

Date: 5/6/2026

Subject Considered:

Sompo America Insurance Company
4 Manhattanville Road, 3rd Floor
Purchase, New York 10577

Consent Order
DWC Enforcement File No. 38063

General remarks and official action taken:

This is a consent order with Sompo America 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 Accrued Temporary Income Benefits (TIBs)

3. [REDACTED], an injured employee suffered a workplace injury.
4. On Jan. 7, 2025, Respondent initiated TIBs for the period between Dec. 24, 2024, and Jan. 13, 2025.
5. On Jan. 17, 2025, Respondent discovered that the injured employee returned to work on light duty at full wages. Respondent subsequently suspended TIBs, but failed to file a *Notice of Suspension of Indemnity Benefits*, DWC Form PLN09 (PLN9) within 10 days of making the last TIBs payment.
6. Between Jan. 21, 2025, and April 27, 2025, the injured employee worked light duty and earned reduced wages. Respondent was required to pay \$2,815 in partial TIBs. The TIBs payments were due seven days after the first day of the pay period. Respondent failed to pay TIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	01-21-2025 to 01-27-2025	01-28-2025	05-22-2025	114
b.	01-28-2025 to 02-03-2025	02-04-2025	05-22-2025	107
c.	02-04-2025 to 02-10-2025	02-11-2025	05-22-2025	100
d.	02-11-2025 to 02-17-2025	02-18-2025	05-22-2025	93
e.	02-18-2025 to 02-24-2025	02-25-2025	05-22-2025	86
f.	02-25-2025 to 03-03-2025	03-04-2025	05-22-2025	79
g.	03-04-2025 to 03-10-2025	03-11-2025	05-22-2025	72
h.	03-11-2025 to 03-17-2025	03-18-2025	05-22-2025	65
i.	03-18-2025 to 03-24-2025	03-25-2025	05-22-2025	58
j.	03-25-2025 to 04-01-2025	04-02-2025	05-22-2025	51
k.	04-02-2025 to 04-08-2025	04-09-2025	05-22-2025	44
l.	04-09-2025 to 04-15-2025	04-16-2025	05-22-2025	37
m.	04-16-2025 to 04-22-2025	04-23-2025	05-22-2025	30
n.	04-23-2025 to 04-29-2025	04-30-2025	05-22-2025	23

7. As of April 28, 2025, Respondent stopped accommodating the injured employee's light duty restrictions. Respondent was required to pay \$9,867 in TIBs to the injured employee between April 29, 2025, and Aug. 26, 2025. The TIBs payments were due seven days after the first day of the pay period. Respondent failed to pay TIBs, as follows:

	Payment Period	Date Due	Date Paid	Days Late
a.	04-29-2025 to 05-05-2025	05-06-2025	08-28-2025	114
b.	05-06-2025 to 05-12-2025	05-13-2025	08-28-2025	107
c.	05-13-2025 to 05-19-2025	05-20-2025	08-28-2025	100
d.	05-20-2025 to 05-26-2025	05-27-2025	08-28-2025	93
e.	05-27-2025 to 06-02-2025	06-03-2025	08-28-2025	86
f.	06-03-2025 to 06-09-2025	06-10-2025	08-28-2025	79
g.	06-10-2025 to 06-16-2025	06-17-2025	08-28-2025	72
h.	06-17-2025 to 06-23-2025	06-24-2025	08-28-2025	65
i.	06-24-2025 to 06-30-2025	07-01-2025	08-28-2025	58
j.	07-01-2025 to 07-07-2025	07-08-2025	08-28-2025	51
k.	07-08-2025 to 07-14-2025	07-15-2025	08-28-2025	44
l.	07-15-2025 to 07-21-2025	07-22-2025	08-28-2025	37
m.	07-22-2025 to 07-28-2025	07-29-2025	08-28-2025	30
n.	07-29-2025 to 08-04-2025	08-05-2025	08-28-2025	23
o.	08-05-2025 to 08-11-2025	08-12-2025	08-28-2025	16
p.	08-12-2025 to 08-18-2025	08-19-2025	08-28-2025	9
q.	08-19-2025 to 08-26-2025	08-26-2025	08-28-2025	2

8. In total, Respondent's conduct impacted \$12,682 in TIBs over the course of 31 weeks.

Failure to Notify DWC of an Action Taken on a Claim & Unreasonable Claims Handling

9. On Aug. 28, 2025, Respondent filed a series of documents on the claim that contained errors and confusing statements.
10. First, Respondent filed a PLN-2a, *Notice of First Temporary Income Benefit*, incorrectly stating that the eighth day of disability would occur in the future on Dec. 31, 2025, at a minimum rate of \$183 per week.
11. Second, Respondent filed two copies of a PLN-8, *Notice of Change in Amount of Indemnity Benefit* (PLN-8). Both forms deviate from the TIBs rate actually paid to the injured employee.
 - i) In the first PLN-8, Respondent changed the TIBs rate from \$183 to \$1,028.90 backdated to May 23, 2025.
 - ii) The second PLN-8, Respondent changed the TIBs rate from \$771.61 to \$1,028.90 backdated to Aug. 27, 2025.
 - iii) Respondent provided notes and a wage statement indicating that the proper TIBs rate was \$665.76.
12. Finally, Respondent filed a PLN-9, *Notice of Suspension of Indemnity Benefits*, stating TIBs would actually stop on April 27, 2025. This form was filed four months after Respondent took the action.
13. Based on the evidence described above, Respondent failed to adjust the claim in a reasonable and prudent manner.

Assessment of Sanction

1. Failure to provide income benefits in an accurate, timely and cost-effective manner is harmful to injured employees and the Texas workers' compensation system.
2. Submitting notices in such a manner defeats the purpose and spirit of 'Plain Language Notice' requirements. The goal of these notifications is to communicate effectively with system participants including injured employees without unnecessary confusion.
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;
 - 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 seriousness of the violation, including delivery of \$12,682 in TIBs up to 114 days late and adjusting the claim in an unreasonable manner;
 - b. Respondent's history of similar administrative violations, including eight consent orders and two warning letters involving late benefits since 2022;
 - c. the penalty necessary to deter future violations;
 - d. the negative impact on the delivery of \$12,682 in benefits to an injured employee; and
 - e. evidence of 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, 402.00111, 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 and Accurately Pay Accrued Temporary Income Benefits (TIBs)

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 § 408.103 and Tex. Admin. Code § 129.3, the insurance carrier is required to pay the correct amount of TIBs.

9. 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.
10. Respondent violated Tex. Lab. Code §§ 408.081; 408.081; 408.082; 409.023; 408.103; 415.002(a)(16), (20) and (22), and Tex. Admin. Code §§ 124.7, and 129.3 by failing to timely and accurately pay accrued TIBs.

Failure to Notify DWC of an Action Taken on a Claim

11. Pursuant Tex. Admin. Code § 124.2(d), an insurance carrier must notify the division and the claimant of the following: (1) first payment of indemnity benefits on a claim within 10 days of making the first payment; . . . (3) a change in the net benefit payment amount without a change to the benefit type within 10 days of making the first payment reflecting the change; . . . [and] (6) termination or suspension of income or death benefits within 10 days of making the last payment for the benefits.
12. Respondent violated Tex. Lab. Code § 415.002(a)(20) and Tex. Admin. Code § 124.2(d) by failing to notify the division and the claimant following a suspension in benefits.

Failure to Process a Claim Promptly in a Reasonable and Prudent Manner

13. Pursuant to Tex. Lab. Code § 415.002(a)(11), an insurance carrier or its representative commits an administrative violation by failing to process claims promptly in a reasonable and prudent manner.
14. Respondent violated Tex. Lab. Code § 415.002(a)(11) and Tex. Admin. Code § 124.2(d), by repeatedly failing to provide adequate notice to the injured employee and to DWC regarding actions on this claim.


Order

It is ordered that Sompo America Insurance Company must pay an administrative penalty of \$12,000 within 30 days from the date the Commissioner signs the order.

After receiving an invoice from DWC, Sompo America 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.

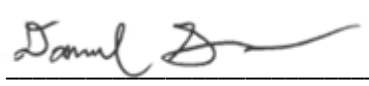
To ensure proper check or money order processing:

- 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, PO Box 12030, Austin, Texas 78711-2030.



Jeff Nelson
Commissioner
TDI, Division of Workers' Compensation

Approved Form and Content:



Dan Garcia
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