

No. **2026-9915**

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

Date: 5/6/2026

Subject Considered:

Farmington Casualty Company
One Tower Square
Hartford, Connecticut 06183

Consent Order
DWC Enforcement File No. 38370

General remarks and official action taken:

This is a consent order with Farmington Casualty 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 and 2020 Performance Based Oversight (PBO) assessments. Respondent was classified as "high" tier in the 2022 PBO assessments.

DWC Audit No. IBA-26-112

3. On Sept. 26, 2025, DWC initiated DWC Audit No. IBA-26-112 to determine whether Respondent complied with the Texas Labor Code and related rules on the timely payment of death benefits as well as timely submitting claim data to DWC.
4. The audit examined death benefit payments that Respondent reported issuing between Sept. 1, 2018, and April 30, 2025. DWC identified three death benefit claims for audit. These three claims were reviewed to determine Respondent's compliance.
5. The audit focused on the accuracy of Respondent's payment of death benefits, as well as timely submitting claim data to DWC. The electronic data interchange (EDI) portion of the audit focused on timely reporting death benefit terminations.

Failure to Timely Pay Accurate Death Benefits

6. Respondent failed to timely pay accurate death benefits for 33% of examined payments (1 out of 3).
7. Specifically, Respondent underpaid \$25,218.80 in death benefits to a beneficiary over the course of 335 weeks.

Assessment of Sanction

1. Failure to provide death benefits or lifetime income benefits in a timely and cost-effective manner is harmful to injured employees or beneficiaries under particularly stressful circumstances, and increases the likelihood of disputes in the Texas workers' compensation system.
2. DWC relies on the claims information insurance carriers submit for many purposes, including protecting beneficiaries, providing required information and reports to the Legislature, ensuring compliance with the Texas Labor Code and DWC rules, and detecting patterns and practices in claim handling that provoke improvements in the Texas workers' compensation system.
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 or their beneficiaries;
 - the history of compliance with EDI 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 violation is serious, involving \$25,218.80 in death benefits delivered up to 335 weeks late;
 - b. Respondent has a history of previous administrative violations, including DWC Order No. 2018-5574 where Respondent failed to accurately pay 75% of death benefits claims (3 out of 4);
 - c. a penalty is necessary to deter future violations;
 - d. Respondent has a history of non-compliance with EDI requirements;
 - i. Temporary Income Benefits Initial Payment (IP) Audit, DWC Order No. 2012-0102;
 - ii. Medical Bill Payment Audit, DWC Order No. 2014-3114;
 - iii. IP Audit, DWC Order No. 2017-5009;
 - iv. Death Benefits Audit, DWC Order No. 2018-5574; and
 - v. IP Audit, DWC Order No. 2022-7177;
 - e. the violation negatively impacted the delivery of \$25,218.80 in benefits to an injured employee's beneficiaries; and
 - f. Respondent has a heightened awareness of the legal duty to comply with the Texas Workers' Compensation Act and DWC rules.

5. As a matter of justice, DWC considered as mitigating the fact that this matter results from a DWC audit and not a system participant complaint 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, 409.021, 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 §§ 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.
6. 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 Pay Accurate Death Benefits

7. Pursuant to Tex. Lab. Code § 408.181(a) and (b), an insurance carrier must pay accurate death benefits to a legal beneficiary. The amount of a death benefit is equal to 75% of the employee's average weekly wage.
8. Pursuant to 28 Tex. Admin. Code § 132.17(f), an insurance carrier must initiate payment of death benefits to eligible claimants. If the insurance carrier believes a claimant is not eligible, it must file a notice of dispute of eligibility in the form and manner DWC prescribes.
9. Respondent violated Tex. Lab. Code §§ 408.181, 409.023, 415.002(a)(16), (20), and (22) and 28 Tex. Admin. Code § 132.17 each time Respondent failed to timely pay accurate death benefits.


Order

It is ordered that Farmington Casualty Company must pay an administrative penalty of \$25,000 within 30 days from the date the Commissioner signs the order.

After receiving an invoice from DWC, Farmington Casualty 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.

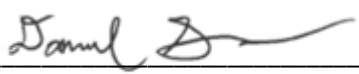
To ensure proper check or money order processing:

- 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

Commissioner's Order
Farmington Casualty Company
DWC Enforcement File No 38370
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Unsworn Declaration

STATE OF TEXAS

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COUNTY OF DALLAS

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Pursuant to the Tex. Civ. Prac and Rem Code § 132.001(a), (b), and (d), my name is ALAN WITKMAN I hold the position of VICE PRESIDENT and am the authorized representative of Farmington Casualty Company My business address is:

1301 E. COLLINS BLVD., RICHARDSON, DALLAS, TX, 75081

(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


Declarant

Executed on 30 MARCH, 2026