

No. **2026-9930**

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

Date: 5/19/2026

Subject Considered:

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

Consent Order
DWC Enforcement File No. 38302

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 2020, 2022, and 2024 Performance Based Oversight (PBO) assessments.

Failure to Pay DWC Ordered Attorney Fees Accurately & Pay TIBs based on a DD Report

3. Between March 28, 2025, and June 4, 2025, DWC ordered Respondent to pay \$3,623.75 in attorney fees at a rate of 25% of each income benefit paid to the injured employee.
4. On June 24, 2025, Respondent paid \$1,928.57 in attorney fees, reducing the total balance owed to \$1,695.18.
5. Between July 7, 2025, and Aug. 11, 2025, DWC ordered Respondent to pay an additional \$2,263.75 in attorney fees, increasing the balance owed to \$3,958.93.
6. On Aug. 5, 2025, Respondent received a DD report from an examination performed on July 9, 2025. The DD determined that the injured employee had disability from March 5, 2025, to July 9, 2025.
7. Respondent was required to pay accrued TIBs within five days of receiving the DD report. The deadline to pay benefits was Aug. 12, 2025.
8. On Aug. 19, 2025, Respondent paid \$20,914.29 in TIBs to the injured employee seven days late.
9. On Aug. 19, 2025, Respondent was required to pay the attorney their entire owed balance, or \$3,958.93, because it was less than 25% of the injured employee's benefit payment. However, Respondent paid \$815.
10. Between Aug. 20, 2025, and Sept 5, 2025, Respondent properly issued several payments to the attorney, reducing the amount owed to \$2,392.68.
11. On Sept. 8, 2025, Respondent paid \$2,843.93 directly to the attorney instead of paying it from the injured employee's benefits. This resulted in an overpayment of \$451.25 to the attorney.

Failure to Accurately Pay TIBs

12. On Sept. 12, 2025, and Sept. 29, 2025, Respondent improperly deducted attorney fees from the injured employee's benefits.

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. 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:
 - the seriousness of the violation, including \$20,914.29 in benefits delivered late to the injured employee and more than \$3,500 in attorney fees negatively impacted;
 - Respondent's history of similar administrative violations, including two recent consent orders involving late attorney's fees orders, two recent

- consent orders involving late benefits after a DD report, and one recent consent order involving inaccurate TIBs;
- the penalty necessary to deter future violations; and
 - the negative impact on the delivery of \$20,914.29 in benefits to an injured employee.
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, 402.00114, 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 statute or rule.

Failure to Pay DWC Ordered Attorney Fees Accurately

6. Pursuant to Tex. Lab. Code §§ 415.021(a) and 415.0035(e), an insurance carrier commits an administrative violation if it violates, fails to comply with, or refuses to comply with a DWC order.
7. Pursuant to 28 Tex. Admin. Code § 152.1(c), insurance carriers must pay DWC ordered attorney fees. The insurance carrier must begin payment 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.
8. 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 comply with a DWC order to pay attorney fees.

Failure to Pay TIBs in Accordance with a DD Report

9. 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.
10. Pursuant to Tex. Lab. Code § 408.101, an injured employee is entitled to TIBs if the employee has a disability and has not attained maximum medical improvement.
11. Pursuant to Tex. Lab. Code §§ 408.081; 409.023; and 415.002(a)(16), an insurance carrier must pay weekly benefits accurately, as and when the benefits accrue, without order from the commissioner.
12. 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.
13. 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 within five days of receiving it.

Failure to Pay Accurate TIBs

14. 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.
15. Respondent violated Tex. Lab. Code §§ 408.103; 415.002(a)(20) and (22); and 28 Tex. Admin. Code § 129.3 each time Respondent failed to accurately pay TIBs.

Order

It is ordered that XL Specialty Insurance Company must pay an administrative penalty of \$9,000 within 30 days from the date the Commissioner signs the order.

After receiving an invoice from DWC, XL Specialty 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.

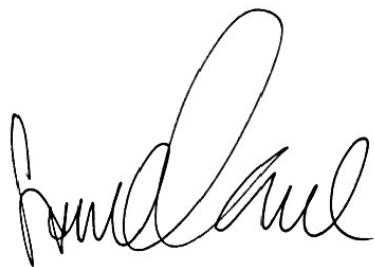
To ensure proper check or money order processing:

- Make it payable to the "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:



Savanna O'Neal
Staff Attorney, Enforcement
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