

No. 2020-6349

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

**Date:** 05-21-2020

**Subject Considered:**

Sentinel Insurance Company, Ltd.  
One Hartford Plaza T 17 81  
Hartford, Connecticut 06155

Consent Order  
DWC Enforcement File No. 21457

**General remarks and official action taken:**

This is a consent order with Sentinel Insurance Company, Ltd. (Sentinel). The commissioner of the Texas Department of Insurance, Division of Workers' Compensation (DWC) considers whether DWC should take disciplinary action against Sentinel.

**Waiver**

Sentinel acknowledges that the Texas Labor Code and other applicable laws provide certain rights. Sentinel 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. Sentinel 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. Sentinel was classified as "average" tier in the 2014, 2016, and 2018 Performance Based Oversight (PBO) assessments. Sentinel was classified as "high" tier in the

2012 PBO assessment. Sentinel was not selected to be tiered in the 2007, 2009, or 2010 PBO assessments.

#### Failure to Timely Initiate Payment of Temporary Income Benefits

3. On [REDACTED], Sentinel received notice of an injury to an employee.
4. The first day of disability for the injured employee began on [REDACTED]. The eighth day accrued on [REDACTED].
5. Sentinel was required to initiate or dispute temporary income benefits (TIBs) either 15 days after it received written notice of the injury or seven days after the accrual date, whichever is later. In this case, the latest date was [REDACTED].
6. Sentinel filed a dispute of disability with DWC on [REDACTED]. Sentinel was required to pay benefits that accrued and were payable before the date it filed the notice of denial. Sentinel was required to pay for the benefit periods between April [REDACTED], and [REDACTED].
7. Sentinel issued the initial TIBs payments on [REDACTED], which was 239 days late.

#### **Assessment of Sanction**

1. Failure to provide appropriate 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;
  - to the extent reasonable, 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: 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 penalty necessary to deter future violations; and whether the administrative violation had a negative impact on the delivery of benefits to an injured employee.
4. DWC found the following factors in TEX. LAB. CODE § 415.021(c) and 28 TEX. ADMIN. CODE § 180.26(e) to be mitigating: other matters that justice may require, including the prompt and earnest actions to prevent future violations. Sentinel was initially given conflicting information on the injured employee's missed workdays but issued payment of TIBs as soon as it received corrected information.
5. Sentinel acknowledges it communicated with DWC about the relevant statutes and rules it violated; the facts establish that the administrative violation occurred; and 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. Sentinel 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)(7), and 28 TEX. ADMIN. CODE § 180.26(h).
3. Sentinel 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), an insurance carrier or its representative commits an administrative violation each time it violates a DWC rule.
6. Pursuant to TEX. LAB. CODE § 415.002(a)(22), an insurance carrier or its representative commits an administrative violation each time it fails to comply with a provision of the Texas Workers' Compensation Act.
7. Pursuant to TEX. LAB. CODE §§ 408.081, 408.082, and 409.021, and 28 TEX. ADMIN. CODE §§ 124.3 and 124.7, an insurance carrier is required to initiate payment of TIBs no later than the 15th day after it receives written notice of the injury or the seventh day after the accrual date, unless the insurance carrier notifies DWC and the injured employee in writing of its refusal to pay.
8. Sentinel violated TEX. LAB. CODE §§ 409.021 and 415.002(a)(20) and (22) each time it failed to timely initiate payment of TIBs.

**Order**

It is ordered that Sentinel Insurance Company, Ltd. must:

1. Pay an administrative penalty of \$10,000 within 30 days from the date of this order. Sentinel Insurance Company, Ltd. must pay the administrative penalty by 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 9999, P.O. Box 149104, Austin, Texas 78714-9104.
2. Complete training on DWC's interpretation of 28 TEX. ADMIN. CODE § 124.3 by Joe R. Anderson or an attorney associated with Burns, Anderson, Jury, and Brenner. The training must be submitted to the Texas Department of Insurance (TDI) for continuing education certification for a one-hour credit. The training must be conducted and completed within 30 days of TDI's approval of the course.



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Cassie Brown  
Commissioner of Workers' Compensation

Approved Form and Content:



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Amy Norman  
Staff Attorney, Enforcement  
Compliance and Investigations  
Division of Workers' Compensation

**Affidavit**

**STATE OF CALIFORNIA** §  
§  
**COUNTY OF SACRAMENTO** §

Before me, the undersigned authority, personally appeared \_\_\_\_\_,  
who being by me duly sworn, deposed as follows:

"My name is Julie Riddle. I am of sound mind, capable of making this statement, and have personal knowledge of these facts which are true and correct.

I hold the office of Assistant Director, Claim Compliance and am the authorized representative of Sentinel Insurance Company, Ltd. I am duly authorized by the organization to execute this statement.

Sentinel Insurance Company, Ltd. has knowingly and voluntarily entered into this consent order and agrees with and consents to the issuance and service of this consent order."

*Julie Riddle*

\_\_\_\_\_  
Affiant

SWORN TO AND SUBSCRIBED before me on \_\_\_\_\_, 2020.

(NOTARY SEAL)

\_\_\_\_\_  
Signature of Notary Public

\_\_\_\_\_  
Printed Name of Notary Public

\_\_\_\_\_  
Commission Expiration