

By: Brimer

S.B. No. 1529

A BILL TO BE ENTITLED

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AN ACT

relating to the disposition and administration of the workers' compensation subsequent injury fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 403.006, Labor Code, is amended to read as follows:

Sec. 403.006. SUBSEQUENT INJURY FUND. (a) The subsequent injury fund is a special fund in the state treasury.

(b) The subsequent injury fund is liable for:

(1) the payment of compensation as provided by Section 408.162;

(2) reimbursement of insurance carrier claims of overpayment of benefits made under an interlocutory order or decision of the commission as provided by this subtitle, consistent with the priorities established by rule by the commission;

(3) reimbursement of insurance carrier claims as provided by Sections 408.042 and 413.0141, consistent with the priorities established by rule by the commission; and

(4) the payment of an assessment of feasibility and the development of regional networks established under Section 408.0221 or other networks provided for by the legislature.

(c) The governor with the advice and consent of the senate [~~executive director~~] shall appoint an administrator for the subsequent injury fund. The administrator shall serve at the

1 pleasure of the governor.

2 (d) Based on an actuarial assessment of the funding  
3 available under Section 403.007(e), the commission may make partial  
4 payment of insurance carrier claims under Subsection (b)(3).

5 SECTION 2. Section 403.007 (e) and (f), Labor Code, are  
6 amended to read as follows:

7 (e) If the commission determines that the funding under  
8 Subsection (a) is not adequate to meet the expected obligations of  
9 the subsequent injury fund established under Section 403.006, the  
10 fund shall be supplemented by the collection of a maintenance tax  
11 paid by insurance carriers, other than a governmental entity, as  
12 provided by Sections 403.002 and 403.003. The rate of assessment  
13 must be adequate to provide 100 [~~120~~] percent of the projected  
14 unfunded liabilities of the fund for the next biennium as certified  
15 by an independent actuary or financial advisor.

16 (f) The commission's actuary or financial advisor shall  
17 report [~~bi~~]annually to the Research and Oversight Council on  
18 Workers' Compensation on the financial condition and projected  
19 assets and liabilities of the subsequent injury fund. The  
20 commission shall make the reports available to the governor, the  
21 lieutenant governor, the comptroller of public accounts, members of  
22 the legislature and the public. The commission may purchase  
23 annuities to provide for payments due to claimants under this  
24 subtitle if the commission determines by record vote that the  
25 purchase of annuities is financially prudent for the administration  
26 of the fund.

27 SECTION 3. The current term of appointment for the

1 administrator of the subsequent injury fund expires on the  
2 effective date of this Act so that the governor may appoint the  
3 administrator as provided for in this Act.

4 SECTION 4. This Act takes effect immediately if it receives  
5 a vote of two-thirds of all the members elected to each house, as  
6 provided by Section 39, Article III, Texas Constitution. If this  
7 Act does not receive the vote necessary for immediate effect, this  
8 Act takes effect September 1, 2003.