

## **BILL ANALYSIS**

S.B. 471  
By: Brimer  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Under current law, the data elements required to be reported on each workers' compensation claim (claim) are established in statute. However, mandating which elements are required to be reported creates inflexibility in maintaining system data. Allowing such reporting requirements to be established via the administrative rulemaking process would allow the commissioner of insurance (commissioner) to determine the data elements needed through public input. Additionally, the current methodology on the claims from which data is collected prevents this state from being adequately compared to other states. In other states, a sampling of claims is used for comparison. More flexibility in the collection of workers' compensation data is needed to increase this state's ability to compare such data with that of other states and help the commissioner better provide the Texas Department of Insurance (TDI), Workers' Compensation Research and Evaluation Group, and TDI's statistical agent for workers' compensation data, and the National Council on Compensation Insurance (which also serves as the statistical agent in 35 other states) with such data to use for research purposes.

As proposed, S.B. 471 requires the collection of workers' compensation data through rule instead of statute and removes specific data elements and reporting requirements in statute.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Commissioner of Insurance in SECTION 1 (Section 2053.151, Insurance Code) of this bill.

### **ANALYSIS**

SECTION 1. Amends Sections 2053.151(a)-(c), Insurance Code, as follows:

- (a) Requires the commissioner of insurance (commissioner) by rule to prescribe the information that must be reported on each workers' compensation claim (claim). Deletes existing text setting forth the specific information that must be reported on each claim.
- (b) Deletes existing text requiring the commissioner to consult with the Texas Workers' Compensation Commission in establishing standards for categorizing insurance and medical benefits required to be reported on each claim.
- (c) Requires the commissioner by rule to establish reporting requirements for insurance companies regarding claims. Authorizes the commissioner to reduce or eliminate reporting requirements for insurance companies whose workers' compensation insurance business falls below a specific minimum premium volume established by the commissioner by rule. Deletes existing text authorizing the commissioner to allow the information required by Subsection (a) to be reported in the aggregate for each risk for claims in which benefit payments are less than \$5,000 and authorizing the commissioner to adjust the \$5,000 threshold for aggregate reporting to account for inflationary changes.

SECTION 2. Provides that, to the extent of any conflict, this Act prevails over another Act of the 80th Legislature, Regular Session, 2007, relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 3. Effective date: September 1, 2007.

### **EFFECTIVE DATE**

September 1, 2007.

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