

BILL ANALYSIS

C.S.H.B. 625
By: Solomons
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Currently, a workers' compensation carrier must provide a policyholder with certain claims data within 30 days of a request. However, there is no requirement for a staff leasing services company to provide this kind of information to a client employer if the company provides the workers' compensation insurance. C.S.H.B. 625 requires such a licensed staff leasing services company to request claims data from a workers' compensation insurance carrier at a client employer's request and to provide individualized claims data to the client employer within a specified time frame and makes a company's failure to do so an administrative violation.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 625 amends the Labor Code, in provisions governing staff leasing services, to require a staff leasing services company license holder that elects to provide workers' compensation insurance for assigned employees, on the written request of a client company, to provide to the company a list of claims associated with that client company made against the license holder's workers' compensation policy and payments made and reserves established on each claim. The bill requires the license holder to provide the requested information in writing from the license holder's own records, if the license holder is a qualified self-insurer, or from information the license holder receives from the license holder's workers' compensation insurance provider, following the license holder's request, not later than the 60th day after the date the license holder receives the client company's written request. The bill specifies that the information is considered to be provided to the client company on the date the information is received by the United States Postal Service or personally delivered to the client company. The bill makes it a Class D administrative violation for such license holder to fail to provide the workers' compensation claim and payment information requested by the client company or to provide the information within the specified time frame.

C.S.H.B. 625, in provisions relating to administrative violations under the Texas Workers' Compensation Act, establishes that a staff leasing services company license holder does not commit an administrative violation for failure to provide such information or to provide it within the specified time frame if the license holder requested the information from the license holder's workers' compensation insurance provider and the provider does not provide the information to the license holder within the required time. The bill requires a license holder to notify the Texas Department of Insurance of a provider's failure to comply with requirements relating to provision of notice of claims information to policyholders.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 625 contains a provision not included in the original requiring certain information relating to claims and payments on workers' compensation insurance provided by a license holder to be provided from the license holder's own records, if the license holder is a qualified self-insurer, or from information the license holder received from the license holder's workers' compensation insurance provider following a request for such information.

C.S.H.B. 625 contains a provision not included in the original establishing that a staff leasing services company license holder does not commit an administrative violation if the license holder requested such information from the license holder's workers' compensation insurance provider and the provider does not provide the information to the license holder within the required time. The substitute contains a provision not included in the original requiring a license holder to notify the Texas Department of Insurance of a provider's failure to comply with requirements relating to provision of notice of claims information to policyholders.