

BILL ANALYSIS

S.B. 381
By: Van de Putte
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, Section 419.002 (Misuse of Division's Name or Symbols Prohibited) of the Labor Code prohibits the misuse of the name and logo of the division of workers' compensation (division) of the Texas Department of Insurance (TDI), the name and initials of TDI, and any combination of the words "Texas" and "workers' compensation" by persons offering or performing workers' compensation services in the state of Texas.

S.B. 381 clarifies that the use of the division's name, TDI's name, and other terms and state symbols is prohibited if they are used in a deceptive manner in an effort to create a false impression that something is endorsed, approved, sponsored, authorized or associated with the division, TDI, or the State of Texas.

As proposed, S.B. 381 amends current law relating to the misuse of the name or symbols of the division of workers' compensation of the Texas Department of Insurance in a deceptive manner.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

ANALYSIS

SECTION 1. Amends Section 419.001, Labor Code, by adding Subsection (c), to provide that a person acts in a "deceptive manner" for purposes of this chapter if the person knows or should know that the person's actions would convey, or could reasonably be interpreted or construed as conveying, the false impression that an item is approved, endorsed, sponsored, authorized by, the same as, or associated with the division of workers' compensation (division), the Texas Department of Insurance (TDI), this state, or an agency of this state; or that the person represents, speaks for, or has an authorization from the division, TDI, this state, or an agency of this state.

SECTION 2. Amends Section 419.002, Labor Code, as follows:

Sec. 419.002. MISUSE OF DIVISION'S NAME OR SYMBOLS PROHIBITED. (a) Prohibits a person from knowingly using or causing to be used certain terms, words, initials, or any combination thereof in a deceptive manner in connection with any impersonation, advertisement, solicitation, business name, business activity, business document, product, or service made or offered by the person regarding workers' compensation coverage or benefits, except as authorized by law.

(b) Prohibits a person subject to Subsection (a) from knowingly using or causing to be used in a deceptive manner a word, term, or initials described by Subsection (a) alone or in conjunction with the state seal or a representation of the state seal, a picture or map of this state, or the official logo of TDI or the division or a representation of TDI's or the division's logo.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2013.

EFFECTIVE DATE

September 1, 2013.