

BILL ANALYSIS

Senate Research Center
85R20362 KKR-F

H.B. 1989
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law allows a certified self-insurer to withdraw from self-insurance with the approval of the commissioner of workers' compensation (commissioner) if it shows to the satisfaction of the commissioner that it has established an adequate program to pay all incurred losses, including unreported losses, that arise out of accidents or occupational diseases first distinctly manifested during the period of operation as a certified self-insurer. To add clarity to current law, and to reduce compliance burdens on self-insurers choosing to withdraw, H.B. 1989 would provide that, for purposes of withdrawal, an "adequate program" includes one in which the self-insurer has insured or reinsured all of its incurred workers' compensation obligations with an authorized insurer under an agreement that is filed with and approved in writing by the commissioner.

H.B. 1989 amends current law relating to the requirements for withdrawal by a certified self-insurer from workers' compensation self-insurance.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 407.045, Labor Code, by adding Subsection (a-1), as follows:

(a-1) Provides that for purposes of Subsection (a) (relating to authorizing a self-insurer to withdraw from self-insurance with the approval of the commissioner of workers' compensation (commissioner)), an adequate program includes a program in which the certified self-insurer has insured or reinsured all workers' compensation obligations incurred by the self-insurer with an authorized insurer under an agreement that is filed with and approved in writing by the commissioner. Provides that the obligations incurred include all known claims and expenses associated with those claims, and all incurred but not reported claims and expenses associated with those claims.

SECTION 2. Effective date: September 1, 2017.