

BILL ANALYSIS

Senate Research Center
85R20361 KKR-F

H.B. 1990
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Certified Self-Insurer Guaranty Association (TCSIGA) was established by the workers' compensation reforms of 1989 and is composed of large employers in Texas who have elected to self-insure. Different from non-subscribers, these employers serve as their own carriers and contribute to the Texas certified self-insurer guaranty trust fund, which is fully funded by the member companies. Currently the trust fund is capped at \$2,000,000. Members believe that this amount is too low and that capping with a dollar amount rather than a rate makes the fund insufficiently sensitive to fluctuating risks. H.B. 1990 addresses these issues by replacing the dollar cap with a risk-sensitive cap of three percent of the combined value of the security deposits of all certified self-insured employers. It also directs the TCSIGA board of directors to submit a recommended balance of the trust fund to the commissioner of workers' compensation for approval and conditions the requirement for the board to adopt a year-by-year schedule of assessments fund on the commissioner's approval.

H.B. 1990 amends current law relating to the administration of the Texas certified self-insurer guaranty trust fund.

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 Sections 407.126(a) and (b), Labor Code, as follows:

(a) Requires that each member of the Texas Certified Self-Insurer Guaranty Association (TCSIGA) be assessed an annual fee, rather than be assessed a fee, based on the total amount of certain payments, to maintain a Texas certified self-insurer guaranty trust fund (fund) of at least \$2 million, rather than to create, over a period of 10 years beginning January 1, 1993, a fund of at least \$1 million, for certain emergency payments. Prohibits the fund from exceeding three percent of the combined value of the security deposits of all certified self-insurers, rather than exceeding \$2 million.

(b) Requires the board of directors of TCSIGA to submit to the commissioner of workers' compensation (commissioner) for approval a recommended balance of the fund. Requires the board of directors, on approval by the commissioner of the recommended balance, to adopt a year-by-year schedule of assessments to meet the funding goal of the fund, rather than meet the 10-year funding goal of the trust fund.

SECTION 2. Effective date: September 1, 2017.