

1-1 By: Romero, Jr. (Senate Sponsor - Zaffirini) H.B. No. 2112
 1-2 (In the Senate - Received from the House April 18, 2017;
 1-3 May 11, 2017, read first time and referred to Committee on Business
 1-4 & Commerce; May 22, 2017, reported adversely, with favorable
 1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;
 1-6 May 22, 2017, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Hancock	X			
1-9 Creighton	X			
1-10 Campbell	X			
1-11 Estes	X			
1-12 Nichols			X	
1-13 Schwertner	X			
1-14 Taylor of Galveston	X			
1-15 Whitmire	X			
1-16 Zaffirini	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 2112 By: Zaffirini

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to certain workers' compensation reporting requirements.
 1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-23 SECTION 1. Section 402.066(a), Labor Code, is amended to
 1-24 read as follows:
 1-25 (a) The commissioner shall consider and recommend to the
 1-26 legislature changes to this subtitle~~[, including any statutory~~
 1-27 ~~changes required by an evaluation conducted under Section 402.074].~~
 1-28 SECTION 2. Section 406.007(a), Labor Code, is amended to
 1-29 read as follows:
 1-30 (a) An employer who terminates workers' compensation
 1-31 insurance coverage obtained under this subtitle shall file a
 1-32 written notice with the division ~~[by certified mail]~~ not later than
 1-33 the 10th day after the date on which the employer notified the
 1-34 insurance carrier to terminate the coverage. The notice must
 1-35 include a statement certifying the date that notice was provided or
 1-36 will be provided to affected employees under Section 406.005.
 1-37 SECTION 3. Section 406.008(a), Labor Code, is amended to
 1-38 read as follows:
 1-39 (a) An insurance company that cancels a policy of workers'
 1-40 compensation insurance or that does not renew the policy by the
 1-41 anniversary date of the policy shall deliver notice of the
 1-42 cancellation or nonrenewal to the division, and by certified mail,
 1-43 ~~[or]~~ in person, or by electronic means in accordance with Chapter
 1-44 35, Insurance Code, to the employer, [and the division] not later
 1-45 than:
 1-46 (1) the 30th day before the date on which the
 1-47 cancellation or nonrenewal takes effect; or
 1-48 (2) the 10th day before the date on which the
 1-49 cancellation or nonrenewal takes effect if the insurance company
 1-50 cancels or does not renew because of:
 1-51 (A) fraud in obtaining coverage;
 1-52 (B) misrepresentation of the amount of payroll
 1-53 for purposes of premium calculation;
 1-54 (C) failure to pay a premium when due;
 1-55 (D) an increase in the hazard for which the
 1-56 employer seeks coverage that results from an act or omission of the
 1-57 employer and that would produce an increase in the rate, including
 1-58 an increase because of a failure to comply with:
 1-59 (i) reasonable recommendations for loss
 1-60 control; or

2-1 (ii) recommendations designed to reduce a
2-2 hazard under the employer's control within a reasonable period; or
2-3 (E) a determination made by the commissioner of
2-4 insurance that the continuation of the policy would place the
2-5 insurer in violation of the law or would be hazardous to the
2-6 interest of subscribers, creditors, or the general public.

2-7 SECTION 4. Section 406.144(d), Labor Code, is amended to
2-8 read as follows:

2-9 (d) The hiring contractor shall send a copy of an agreement
2-10 under this section to:

2-11 (1) the hiring contractor's workers' compensation
2-12 insurance carrier; and

2-13 (2) the division, on the division's request ~~[on filing~~
2-14 ~~of the agreement with the division]~~.

2-15 SECTION 5. Section 406.145(c), Labor Code, is amended to
2-16 read as follows:

2-17 (c) The hiring contractor shall send a copy of a joint
2-18 agreement signed under this section to:

2-19 (1) the hiring contractor's workers' compensation
2-20 insurance carrier; and

2-21 (2) the division, on the division's request ~~[on filing~~
2-22 ~~of the joint agreement with the division]~~.

2-23 SECTION 6. Section 408.150, Labor Code, is amended to read
2-24 as follows:

2-25 Sec. 408.150. VOCATIONAL REHABILITATION. (a) The division
2-26 shall refer an employee to the Texas Workforce Commission
2-27 ~~[Department of Assistive and Rehabilitative Services]~~ with a
2-28 recommendation for appropriate services if the division determines
2-29 that an employee could be materially assisted by vocational
2-30 rehabilitation or training in returning to employment or returning
2-31 to employment more nearly approximating the employee's preinjury
2-32 employment. ~~[The division shall also notify insurance carriers of~~
2-33 ~~the need for vocational rehabilitation or training services.]~~ The
2-34 insurance carrier may provide vocational rehabilitation or
2-35 training services through a private provider of vocational
2-36 rehabilitation services [under Section 409.012].

2-37 (b) An employee who refuses services or refuses to cooperate
2-38 with services provided under this section by the Texas Workforce
2-39 Commission ~~[Department of Assistive and Rehabilitative Services]~~
2-40 or a private provider loses entitlement to supplemental income
2-41 benefits.

2-42 SECTION 7. Section 409.010, Labor Code, is amended to read
2-43 as follows:

2-44 Sec. 409.010. INFORMATION PROVIDED TO EMPLOYEE OR LEGAL
2-45 BENEFICIARY. Immediately on receiving notice of an injury or death
2-46 from any person, the division shall send ~~[mail]~~ to the employee or
2-47 legal beneficiary a clear and concise description of:

2-48 (1) the services provided by:

2-49 (A) the division; and

2-50 (B) the office of injured employee counsel,
2-51 including the services of the ombudsman program;

2-52 (2) the division's procedures; and

2-53 (3) the person's rights and responsibilities under
2-54 this subtitle.

2-55 SECTION 8. Section 409.011(a), Labor Code, is amended to
2-56 read as follows:

2-57 (a) Immediately on receiving notice of an injury or death
2-58 from any person, the division shall send ~~[mail]~~ to the employer a
2-59 description of:

2-60 (1) the services provided by the division and the
2-61 office of injured employee counsel;

2-62 (2) the division's procedures; and

2-63 (3) the employer's rights and responsibilities under
2-64 this subtitle.

2-65 SECTION 9. Sections 409.012(b) and (c), Labor Code, are
2-66 amended to read as follows:

2-67 (b) If the division determines that an injured employee
2-68 would be assisted by vocational rehabilitation, the division shall
2-69 notify:

3-1 (1) the injured employee in writing of the services
3-2 and facilities available through the Texas Workforce Commission
3-3 [~~Department of Assistive and Rehabilitative Services~~] and private
3-4 providers of vocational rehabilitation; and

3-5 (2) the Texas Workforce Commission [~~Department of~~
3-6 ~~Assistive and Rehabilitative Services and the affected insurance~~
3-7 ~~carrier~~] that the injured employee has been identified as one who
3-8 could be assisted by vocational rehabilitation.

3-9 (c) The division shall cooperate with the office of injured
3-10 employee counsel, the Texas Workforce Commission [~~Department of~~
3-11 ~~Assistive and Rehabilitative Services~~], and private providers of
3-12 vocational rehabilitation in the provision of services and
3-13 facilities to employees by the Texas Workforce Commission
3-14 [~~Department of Assistive and Rehabilitative Services~~].

3-15 SECTION 10. Section 409.013(b), Labor Code, is amended to
3-16 read as follows:

3-17 (b) On receipt of a report under Section 409.005, the
3-18 division shall:

3-19 (1) contact the affected employee; [~~by mail or by~~
3-20 ~~telephone~~] and

3-21 (2) [~~shall~~] provide the information required under
3-22 Subsection (a) to that employee, together with any other
3-23 information that may be prepared by the office of injured employee
3-24 counsel or the division for public dissemination that relates to
3-25 the employee's situation, such as information relating to back
3-26 injuries or occupational diseases.

3-27 SECTION 11. The following provisions of the Labor Code are
3-28 repealed:

- 3-29 (1) Section 402.074;
- 3-30 (2) Section 406.144(c);
- 3-31 (3) Sections 406.145(b) and (d);
- 3-32 (4) Section 408.032;
- 3-33 (5) Section 408.086; and
- 3-34 (6) Section 409.012(d).

3-35 SECTION 12. The change in law made by this Act applies only
3-36 to a notice, agreement, description, or information required to be
3-37 sent or provided on or after the effective date of this Act.

3-38 SECTION 13. This Act takes effect immediately if it
3-39 receives a vote of two-thirds of all the members elected to each
3-40 house, as provided by Section 39, Article III, Texas Constitution.
3-41 If this Act does not receive the vote necessary for immediate
3-42 effect, this Act takes effect September 1, 2017.

3-43 * * * * *