

1-1 By: Zaffirini S.B. No. 1496
1-2 (In the Senate - Filed March 8, 2017; March 20, 2017, read
1-3 first time and referred to Committee on Business & Commerce;
1-4 April 12, 2017, reported favorably by the following vote: Yeas 9,
1-5 Nays 0; April 12, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to certain workers' compensation reporting requirements.
1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-21 SECTION 1. Section 402.066(a), Labor Code, is amended to
1-22 read as follows:
1-23 (a) The commissioner shall consider and recommend to the
1-24 legislature changes to this subtitle~~[, including any statutory~~
1-25 ~~changes required by an evaluation conducted under Section 402.074].~~
1-26 SECTION 2. Section 406.007(a), Labor Code, is amended to
1-27 read as follows:
1-28 (a) An employer who terminates workers' compensation
1-29 insurance coverage obtained under this subtitle shall file a
1-30 written notice with the division ~~[by certified mail]~~ not later than
1-31 the 10th day after the date on which the employer notified the
1-32 insurance carrier to terminate the coverage. The notice must
1-33 include a statement certifying the date that notice was provided or
1-34 will be provided to affected employees under Section 406.005.
1-35 SECTION 3. Section 406.008(a), Labor Code, is amended to
1-36 read as follows:
1-37 (a) An insurance company that cancels a policy of workers'
1-38 compensation insurance or that does not renew the policy by the
1-39 anniversary date of the policy shall deliver notice of the
1-40 cancellation or nonrenewal to the division, and by certified mail
1-41 or in person to the employer, ~~[and the division]~~ not later than:
1-42 (1) the 30th day before the date on which the
1-43 cancellation or nonrenewal takes effect; or
1-44 (2) the 10th day before the date on which the
1-45 cancellation or nonrenewal takes effect if the insurance company
1-46 cancels or does not renew because of:
1-47 (A) fraud in obtaining coverage;
1-48 (B) misrepresentation of the amount of payroll
1-49 for purposes of premium calculation;
1-50 (C) failure to pay a premium when due;
1-51 (D) an increase in the hazard for which the
1-52 employer seeks coverage that results from an act or omission of the
1-53 employer and that would produce an increase in the rate, including
1-54 an increase because of a failure to comply with:
1-55 (i) reasonable recommendations for loss
1-56 control; or
1-57 (ii) recommendations designed to reduce a
1-58 hazard under the employer's control within a reasonable period; or
1-59 (E) a determination made by the commissioner of
1-60 insurance that the continuation of the policy would place the
1-61 insurer in violation of the law or would be hazardous to the

2-1 interest of subscribers, creditors, or the general public.

2-2 SECTION 4. Section 406.144(d), Labor Code, is amended to
2-3 read as follows:

2-4 (d) The hiring contractor shall send a copy of an agreement
2-5 under this section to:

2-6 (1) the hiring contractor's workers' compensation
2-7 insurance carrier; and

2-8 (2) the division, on the division's request ~~[on filing~~
2-9 ~~of the agreement with the division]~~.

2-10 SECTION 5. Section 406.145(c), Labor Code, is amended to
2-11 read as follows:

2-12 (c) The hiring contractor shall send a copy of a joint
2-13 agreement signed under this section to:

2-14 (1) the hiring contractor's workers' compensation
2-15 insurance carrier; and

2-16 (2) the division, on the division's request ~~[on filing~~
2-17 ~~of the joint agreement with the division]~~.

2-18 SECTION 6. Section 408.150, Labor Code, is amended to read
2-19 as follows:

2-20 Sec. 408.150. VOCATIONAL REHABILITATION. (a) The
2-21 division shall refer an employee to the Texas Workforce Commission
2-22 ~~[Department of Assistive and Rehabilitative Services]~~ with a
2-23 recommendation for appropriate services if the division determines
2-24 that an employee could be materially assisted by vocational
2-25 rehabilitation or training in returning to employment or returning
2-26 to employment more nearly approximating the employee's preinjury
2-27 employment. ~~[The division shall also notify insurance carriers of~~
2-28 ~~the need for vocational rehabilitation or training services.]~~ The
2-29 insurance carrier may provide vocational rehabilitation or
2-30 training services through a private provider of vocational
2-31 rehabilitation services ~~[under Section 409.012]~~.

2-32 (b) An employee who refuses services or refuses to cooperate
2-33 with services provided under this section by the Texas Workforce
2-34 Commission ~~[Department of Assistive and Rehabilitative Services]~~
2-35 or a private provider loses entitlement to supplemental income
2-36 benefits.

2-37 SECTION 7. Section 409.010, Labor Code, is amended to read
2-38 as follows:

2-39 Sec. 409.010. INFORMATION PROVIDED TO EMPLOYEE OR LEGAL
2-40 BENEFICIARY. Immediately on receiving notice of an injury or death
2-41 from any person, the division shall send ~~[mail]~~ to the employee or
2-42 legal beneficiary a clear and concise description of:

- 2-43 (1) the services provided by:
 - 2-44 (A) the division; and
 - 2-45 (B) the office of injured employee counsel,
2-46 including the services of the ombudsman program;
- 2-47 (2) the division's procedures; and
- 2-48 (3) the person's rights and responsibilities under
2-49 this subtitle.

2-50 SECTION 8. Section 409.011(a), Labor Code, is amended to
2-51 read as follows:

2-52 (a) Immediately on receiving notice of an injury or death
2-53 from any person, the division shall send ~~[mail]~~ to the employer a
2-54 description of:

- 2-55 (1) the services provided by the division and the
2-56 office of injured employee counsel;
- 2-57 (2) the division's procedures; and
- 2-58 (3) the employer's rights and responsibilities under
2-59 this subtitle.

2-60 SECTION 9. Sections 409.012(b) and (c), Labor Code, are
2-61 amended to read as follows:

2-62 (b) If the division determines that an injured employee
2-63 would be assisted by vocational rehabilitation, the division shall
2-64 notify:

- 2-65 (1) the injured employee in writing of the services
2-66 and facilities available through the Texas Workforce Commission
2-67 ~~[Department of Assistive and Rehabilitative Services]~~ and private
2-68 providers of vocational rehabilitation; and
- 2-69 (2) the Texas Workforce Commission ~~[Department of~~

3-1 ~~Assistive and Rehabilitative Services and the affected insurance~~
3-2 ~~carrier~~] that the injured employee has been identified as one who
3-3 could be assisted by vocational rehabilitation.

3-4 (c) The division shall cooperate with the office of injured
3-5 employee counsel, the Texas Workforce Commission [~~Department of~~
3-6 ~~Assistive and Rehabilitative Services~~], and private providers of
3-7 vocational rehabilitation in the provision of services and
3-8 facilities to employees by the Texas Workforce Commission
3-9 [~~Department of Assistive and Rehabilitative Services~~].

3-10 SECTION 10. Section 409.013(b), Labor Code, is amended to
3-11 read as follows:

3-12 (b) On receipt of a report under Section 409.005, the
3-13 division shall:

3-14 (1) contact the affected employee; [~~by mail or by~~
3-15 ~~telephone~~] and

3-16 (2) [~~shall~~] provide the information required under
3-17 Subsection (a) to that employee, together with any other
3-18 information that may be prepared by the office of injured employee
3-19 counsel or the division for public dissemination that relates to
3-20 the employee's situation, such as information relating to back
3-21 injuries or occupational diseases.

3-22 SECTION 11. The following provisions of the Labor Code are
3-23 repealed:

- 3-24 (1) Section 402.074;
- 3-25 (2) Section 406.144(c);
- 3-26 (3) Sections 406.145(b) and (d);
- 3-27 (4) Section 408.032;
- 3-28 (5) Section 408.086; and
- 3-29 (6) Section 409.012(d).

3-30 SECTION 12. The change in law made by this Act applies only
3-31 to a notice, agreement, description, or information required to be
3-32 sent or provided on or after the effective date of this Act.

3-33 SECTION 13. This Act takes effect immediately if it
3-34 receives a vote of two-thirds of all the members elected to each
3-35 house, as provided by Section 39, Article III, Texas Constitution.
3-36 If this Act does not receive the vote necessary for immediate
3-37 effect, this Act takes effect September 1, 2017.

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