

House Bill 2112
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 402.066(a), Labor Code, is amended to read as follows:

(a) The commissioner shall consider and recommend to the legislature changes to this subtitle ~~[, including any statutory changes required by an evaluation conducted under Section 402.074].~~

SECTION 2. Section 406.007(a), Labor Code, is amended to read as follows:

(a) An employer who terminates workers' compensation insurance coverage obtained under this subtitle shall file a written notice with the division ~~[by certified mail]~~ not later than the 10th day after the date on which the employer notified the insurance carrier to terminate the coverage. The notice must include a statement certifying the date that notice was provided or will be provided to affected employees under Section 406.005.

SECTION 3. Section 406.008(a), Labor Code, is amended to read as follows:

(a) An insurance company that cancels a policy of workers' compensation insurance or that does not renew the policy by the anniversary date of the policy shall deliver notice of the cancellation or nonrenewal to the division, and by certified mail or in person to the employer, ~~[and the division]~~ not later than:

- (1) the 30th day before the date on which the cancellation or nonrenewal takes effect; or
- (2) the 10th day before the date on which the cancellation or nonrenewal takes effect if the insurance company cancels or does not renew because of:

SENATE VERSION (CS)

SECTION 1. Same as House version.

SECTION 2. Same as House version.

SECTION 3. Section 406.008(a), Labor Code, is amended to read as follows:

(a) An insurance company that cancels a policy of workers' compensation insurance or that does not renew the policy by the anniversary date of the policy shall deliver notice of the cancellation or nonrenewal to the division, and by certified mail, ~~[or]~~ in person, or by electronic means in accordance with Chapter 35, Insurance Code, to the employer, ~~[and the division]~~ not later than:

- (1) the 30th day before the date on which the cancellation or nonrenewal takes effect; or
- (2) the 10th day before the date on which the cancellation or nonrenewal takes effect if the insurance company cancels or does not renew because of:

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- (A) fraud in obtaining coverage;
- (B) misrepresentation of the amount of payroll for purposes of premium calculation;
- (C) failure to pay a premium when due;
- (D) an increase in the hazard for which the employer seeks coverage that results from an act or omission of the employer and that would produce an increase in the rate, including an increase because of a failure to comply with:
 - (i) reasonable recommendations for loss control; or
 - (ii) recommendations designed to reduce a hazard under the employer's control within a reasonable period; or
- (E) a determination made by the commissioner of insurance that the continuation of the policy would place the insurer in violation of the law or would be hazardous to the interest of subscribers, creditors, or the general public.

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

- (d) The hiring contractor shall send a copy of an agreement under this section to:
 - (1) the hiring contractor's workers' compensation insurance carrier; and
 - (2) the division, on the division's request [on filing of the agreement with the division].

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

- (c) The hiring contractor shall send a copy of a joint agreement signed under this section to:
 - (1) the hiring contractor's workers' compensation insurance carrier; and
 - (2) the division, on the division's request [on filing of the

SENATE VERSION (CS)

- (A) fraud in obtaining coverage;
- (B) misrepresentation of the amount of payroll for purposes of premium calculation;
- (C) failure to pay a premium when due;
- (D) an increase in the hazard for which the employer seeks coverage that results from an act or omission of the employer and that would produce an increase in the rate, including an increase because of a failure to comply with:
 - (i) reasonable recommendations for loss control; or
 - (ii) recommendations designed to reduce a hazard under the employer's control within a reasonable period; or
- (E) a determination made by the commissioner of insurance that the continuation of the policy would place the insurer in violation of the law or would be hazardous to the interest of subscribers, creditors, or the general public.

SECTION 4. Same as House version.

SECTION 5. Same as House version.

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~~joint agreement with the division].~~

SECTION 6. Section 408.150, Labor Code, is amended to read as follows:

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

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

SECTION 7. Section 409.010, Labor Code, is amended to read as follows:

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

- (1) the services provided by:
 - (A) the division; and

SECTION 6. Same as House version.

SECTION 7. Same as House version.

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- (B) the office of injured employee counsel, including the services of the ombudsman program;
- (2) the division's procedures; and
- (3) the person's rights and responsibilities under this subtitle.

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

- (a) Immediately on receiving notice of an injury or death from any person, the division shall send [~~mail~~] to the employer a description of:
 - (1) the services provided by the division and the office of injured employee counsel;
 - (2) the division's procedures; and
 - (3) the employer's rights and responsibilities under this subtitle.

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

- (b) If the division determines that an injured employee would be assisted by vocational rehabilitation, the division shall notify:
 - (1) the injured employee in writing of the services and facilities available through the Texas Workforce Commission [~~Department of Assistive and Rehabilitative Services~~] and private providers of vocational rehabilitation; and
 - (2) the Texas Workforce Commission [~~Department of Assistive and Rehabilitative Services and the affected insurance carrier~~] that the injured employee has been identified as one who could be assisted by vocational rehabilitation.
- (c) The division shall cooperate with the office of injured employee counsel, the Texas Workforce Commission

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~~[Department of Assistive and Rehabilitative Services]~~, and private providers of vocational rehabilitation in the provision of services and facilities to employees by the Texas Workforce Commission ~~[Department of Assistive and Rehabilitative Services]~~.

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

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

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

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

SECTION 11. The following provisions of the Labor Code are repealed:

- (1) Section 402.074;
- (2) Section 406.144(c);
- (3) Sections 406.145(b) and (d);
- (4) Section 408.032;
- (5) Section 408.086; and
- (6) Section 409.012(d).

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

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SECTION 10. Same as House version.

SECTION 11. Same as House version.

SECTION 12. Same as House version.

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

SENATE VERSION (CS)

SECTION 13. Same as House version.

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