

By: Shine

H.B. No. 2461

A BILL TO BE ENTITLED

AN ACT

relating to the workers' compensation group self-insurance guaranty fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 407A, Subchapter B, Labor Code is amended by adding new Section 407A.0521 to read as follows:

Sec. 407A.0521. NEW CERTIFICATES OF APPROVAL PROHIBITED.

(a) Notwithstanding Section 407A.052, the commissioner shall not issue a certificate of approval to a proposed group on or after September 1, 2023.

(b) Nothing in this section affects the commissioner's authority to amend a certificate of approval issued by the commissioner to a group prior to September 1, 2023.

SECTION 2. Section 407A.456 Labor Code is amended to read as follows:

Sec. 407A.456. PLAN OF OPERATION. (a) The board shall adopt a plan of operation governing the board's activities and the operation of the guaranty fund and the trust fund.

(b) The plan of operation adopted by the board is subject to approval by the commissioner.

(c) The board shall submit a revised plan of operation to the commissioner for approval to wind down the operations of the guaranty fund and the trust fund, including a plan for distribution of any remaining funds to qualified groups. For the purpose of this

1 chapter, a "qualified group" is a group that has a current
2 certificate of approval under this chapter and has not been
3 determined by the commissioner to be insolvent under Sections
4 407A.355 and 407A.458, Labor Code.

5 (d) The commissioner shall approve the revised plan of
6 operation if the plan sufficiently describes the steps the board
7 will take to wind down and dissolve the operations of the guaranty
8 fund and trust fund, including distributing any remaining trust
9 funds to qualified groups, notifying interested parties, and
10 estimating a timeline for wind down.

11 (e) The board shall deliver written notice to the
12 commissioner not later than 30th day after the date the wind down is
13 complete.

14 (f) Not later than the 30th day after the date the
15 commissioner receives the notice described in Subsection (e), the
16 commissioner shall issue an order determining whether the guaranty
17 fund has met its obligations under the revised plan of operations
18 described in Subsection (d). If the commissioner determines that
19 the guaranty fund has met its obligations, the order shall include
20 language requiring the distribution of any remaining funds to
21 qualified groups.

22 (g) On the 30th day after the issuance of the order
23 described in subsection (f), the guaranty fund and the trust fund
24 are dissolved.

25 SECTION 3. (a) Not later than December 1, 2023, the board
26 shall submit a revised plan of operation to the commissioner of
27 insurance as required by Section 407A.456, Labor Code.

1 (b) The board of directors established under Section
2 [407A.453](#), Labor Code, is abolished on the date the guaranty fund and
3 trust fund are dissolved in accordance with Section [407A.456](#).

4 SECTION 4. This Act takes effect September 1, 2023.