

AN ACT

relating to discontinuing group self-insurance coverage and dissolving the Texas self-insurance group guaranty fund and trust fund under the Texas Workers' Compensation Act.

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

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

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

(a) Notwithstanding Section 407A.052, the commissioner may not issue a certificate of approval to a proposed group on or after September 1, 2025.

(b) The commissioner may amend a certificate of approval issued to a group before September 1, 2025.

SECTION 2. Subchapter J, Chapter 407A, Labor Code, is amended by adding Section 407A.4561 to read as follows:

Sec. 407A.4561. REVISED PLAN OF OPERATION: WIND DOWN. (a)

In this section, "qualified group" means a group that:

(1) holds a current certificate of approval under this chapter; and

(2) has not been determined by the commissioner to be insolvent under Section 407A.355.

(b) The board shall submit to the commissioner for approval a revised plan of operation to wind down and dissolve the guaranty fund and trust fund. The plan must include:

1 (1) steps for:

2 (A) distributing any remaining money in the
3 guaranty fund and trust fund to qualified groups; and

4 (B) notifying interested parties; and

5 (2) an estimated timeline for the wind down.

6 (c) The commissioner shall approve the board's revised plan
7 of operation if the commissioner determines that the plan
8 sufficiently describes the actions the board will take to wind down
9 and dissolve the guaranty fund and trust fund.

10 (d) The board shall:

11 (1) implement the revised plan of operation approved
12 under Subsection (b); and

13 (2) provide written notice to the commissioner of the
14 completion of the wind down not later than the 30th day after the
15 date of completion.

16 (e) Not later than the 30th day after the date the
17 commissioner receives the board's notice under Subsection (d), the
18 commissioner shall determine whether the guaranty fund has met its
19 obligations under the approved revised plan of operation. If the
20 commissioner determines that the guaranty fund met the fund's
21 obligations, the commissioner shall issue an order requiring the
22 distribution of any remaining money in the guaranty fund and trust
23 fund to qualified groups.

24 (f) On the 30th day after the date the commissioner issues
25 the order under Subsection (e):

26 (1) the guaranty fund and the trust fund are
27 dissolved; and

1 (2) the board is abolished.

2 SECTION 3. Not later than December 1, 2025, the board of
3 directors of the Texas self-insurance group guaranty fund shall
4 submit the revised plan of operation to the commissioner of
5 insurance required by Section 407A.4561, Labor Code, as added by
6 this Act.

7 SECTION 4. This Act takes effect September 1, 2025.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 264 passed the Senate on April 16, 2025, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 264 passed the House on May 22, 2025, by the following vote: Yeas 141, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor