

BILL ANALYSIS

C.S.H.B. 1989
By: Shine
Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that certified self-insurers should be able to withdraw from self-insurance without having to make a certain showing to the commissioner of workers' compensation if the self-insurer has purchased a workers' compensation policy to insure all workers' compensation obligations incurred by the self-insurer. C.S.H.B. 1989 seeks to reduce the administrative burden on employers who withdraw from self-insurance by establishing such a purchase as an adequate workers' compensation program for purposes of approval of the program by the commissioner before the employer's authorized withdrawal from self-insurance.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1989 amends the Labor Code to establish, for purposes of a requirement under the Texas Workers' Compensation Act that the commissioner of workers' compensation approve the withdrawal of a certified self-insurer from self-insurance if the self-insurer has established an adequate program to cover certain losses, that such a program includes a program in which the certified self-insurer has insured or reinsured all workers' compensation obligations incurred by the self-insurer with an authorized insurer under an agreement that is filed with and approved in writing by the commissioner. The bill includes as obligations incurred all known claims and expenses associated with those claims and all incurred but not reported claims and expenses associated with those claims.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1989 differs from the original in minor or nonsubstantive ways by conforming to certain bill drafting conventions.