

BILL ANALYSIS

Senate Research Center
78R1101 KSD-D

S.B. 819
By: Fraser
State Affairs
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As Filed

DIGEST AND PURPOSE

The Labor Code currently requires a workers' compensation insurance carrier to begin payment of benefits or give written notice of refusal within seven days of receiving notice of the injury, and provides that failure to do so constitutes a Class B administrative violation. In addition, the Labor Code provides that if a carrier fails to contest compensability within 60 days of receiving notice of an injury, the carrier waives all rights to do so at a later date. As proposed, S.B. 819 provides that if a carrier fails to begin payment of benefits or give written notice within seven days of receiving notice of the injury constitutes, the carrier does commit an administrative violation but still retains the right to contest the compensability of the injury within 60 days of receiving notice of the injury.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 409.021, Labor Code, by redesignating Subsections (b)-(e) as Subsections (c)-(f) and adding a new Subsection (b), as follows:

- (b) Provides that an insurance carrier who fails to begin the payment of benefits or file a notice of refusal within a certain timeframe does not waive the carrier's right to contest the compensability of the injury but commits an administrative violation subject to Subsection (f).

SECTION 2. Effective date: September 1, 2003.

Makes application of this Act prospective.