

## **BILL ANALYSIS**

Senate Research Center

H.B. 3202  
By: Counts (Duncan)  
Economic Development  
5-18-97  
Engrossed

### **DIGEST**

Currently, there are out-dated references in Chapter 5D of the Insurance Code, regarding workers' compensation insurance, which require updating. S.B. 1, enacted in 1989, either inadvertently deleted or misnamed several subsection titles, and H.B. 62, enacted in 1991, renamed the State Board of Insurance the Texas Department of Insurance. Additionally, in 1995, the commissioner of insurance was allowed to designate a statistical agent in one part of the code, but changes were not made to another part of the code to reflect the amendment. H.B. 3202 makes nonsubstantive changes to the Insurance Code to correct outdated references and to eliminate conflicts in the statute.

### **PURPOSE**

As proposed, H.B. 3202 makes nonsubstantive changes to the Insurance Code to correct outdated references and to eliminate conflicts in the statute.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article 5.58, Insurance Code, as follows:

Sec. 5.58. New heading: RATE ADMINISTRATION FOR WORKERS' COMPENSATION INSURANCE POLICIES; CLAIMS REPORTS. (a) Recording and Reporting of Loss Experience and Other Data. Requires the commissioner of insurance (commissioner), rather than the Texas State Board of Insurance (board), to develop reasonable statistical plans, which may be modified from time to time and are required to be used thereafter by each insurer. Authorizes the commissioner, rather than the board, to designate or contract with a qualified organization to serve as the statistical agent for the commissioner as provided by Article 21.69 of this code. Authorizes the statistical agent to provide to one or more advisory organizations the information provided by the statistical agent to the commissioner. Deletes existing text prohibiting the board from contracting with or designating an insurer or advisory organization to gather or compile data for statistical plans. Makes conforming changes.

(b) New heading: Standards and Procedures. Requires the commissioner to consult with the Research and Oversight Council on Workers' Compensation, rather than the Texas Workers' Compensation Research Center, in establishing the standards for categorizing insurance and medical benefits reported on each workers' compensation claim. Makes conforming changes.

(c) New heading: Content of Detailed Claim Information. Makes conforming changes.

(d) Information Confidential. Makes no change.

(e) Payments Excluded From Rates. Makes a conforming change.

(f) New heading: Transmission of Claims Reports. Requires the claims reports, rather

than statistical reports, filed under Subsection (c) to be updated by each insurer and transmitted to the commissioner or the commissioner's statistical agent. Makes conforming changes.

(g) Reports of Aggregate Data. Makes conforming changes.

(h) Interchange of Rating Plan Data. Makes conforming changes.

(i) Consultation with Other States. Makes conforming changes.

SECTION 2. Emergency clause.

Effective date: upon passage.