

BILL ANALYSIS

Senate Research Center
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S.B. 1395
By: Fraser
Business & Commerce
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DIGEST AND PURPOSE

Currently, Section 409.021, Labor Code, requires that an insurer begin payment of benefits or give written notice of refusal within seven days of receiving notice of the injury. Noncompliance with this provision is a Class B administrative violation. However, the law provides that if an insurance carrier does not contest the compensability of an injury within 60 days, the carrier waives all rights to contest compensability. As proposed, S.B. 1395 provides that an insurance carrier who fails to begin benefits or give written notice within the seven days does not waive the carrier's right to contest the compensability of the injury within the 60 day time frame.

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, to provide that an insurance carrier who fails to begin the payment of benefits or file a notice of refusal on or before the seventh day after the date on which the insurance carrier is notified of the injury 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: upon passage or September 1, 2001.