

INSURANCE CODE

TITLE 10. PROPERTY AND CASUALTY INSURANCE

SUBTITLE E. WORKERS' COMPENSATION INSURANCE

CHAPTER 2055. GROUP PURCHASE OF WORKERS' COMPENSATION

INSURANCE COVERAGE

Sec. 2055.001. DEFINITION. In this chapter, "business entity" means a business enterprise owned by a single person or a corporation, organization, business trust, trust, partnership, joint venture, association, or other business entity.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 3B.0591(b), eff. September 1, 2007.

Redesignated from Labor Code, Section 406A.001 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.0591(a)(2), eff. September 1, 2007.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.0591(b), eff. September 1, 2007.

Sec. 2055.002. CERTIFICATION PROGRAM. (a) The department shall:

(1) maintain a certification program for groups organized under this chapter; and

(2) issue certificates of approval to eligible business entities authorizing formation and maintenance of a group.

(b) The commissioner by rule shall adopt forms, criteria, and procedures for issuing certificates of approval to groups under this chapter.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 17, eff. April 1, 2007.

Redesignated from Labor Code, Section 406A.002 by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 3B.0591(a)(2), eff. September 1, 2007.

Redesignated from Labor Code, Section 406A.002 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.0591(a)(2), eff. September 1, 2007.

Sec. 2055.003. FORMATION OF GROUP. (a) On receipt of a certificate of approval issued by the department under this chapter, two or more business entities or two or more members of a trade association may join together to form a group to purchase individual workers' compensation insurance policies covering each member of the group.

(b) To be eligible to join a group, a business entity must:

(1) be engaged in a business pursuit that is the same as or similar to the other business entities participating in the group as determined by the department; or

(2) be a member of the same trade association as the other business entities participating in the group.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 17, eff. April 1, 2007.

Redesignated from Labor Code, Section 406A.003 by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 3B.0591(a)(2), eff. September 1, 2007.

Redesignated from Labor Code, Section 406A.003 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.0591(a)(2), eff. September 1, 2007.

Sec. 2055.004. PLAN OF OPERATION. (a) A group shall:

(1) adopt a plan of operation; and

(2) file a copy of the plan of operation with the department.

(b) The plan of operation must include:

(1) provisions governing the composition and selection of a governing board;

(2) the methods for administering the group; and

(3) guidelines governing the workers' compensation insurance coverage obtained by the group that include provisions governing:

(A) the payment of premiums;

(B) the distribution of discounts; and

(C) the methods for providing risk management.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 17, eff.

April 1, 2007.

Redesignated from Labor Code, Section 406A.004 by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 3B.0591(a)(2), eff. September 1, 2007.

Redesignated from Labor Code, Section 406A.004 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.0591(a)(2), eff. September 1, 2007.

Sec. 2055.005. GROUP PURCHASE AUTHORIZED. A group certified under this chapter may purchase individual workers' compensation insurance policies covering each member of the group from any insurer authorized to write workers' compensation insurance in this state.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 17, eff. April 1, 2007.

Redesignated from Labor Code, Section 406A.005 by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 3B.0591(a)(2), eff. September 1, 2007.

Redesignated from Labor Code, Section 406A.005 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.0591(a)(2), eff. September 1, 2007.

Sec. 2055.006. POLICY RATES. Rates for policies purchased under this chapter must be computed using manual rules and rates. The department shall determine any experience rating factor that must be applied to those policies as provided by the commissioner by rule.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 17, eff. April 1, 2007.

Redesignated from Labor Code, Section 406A.006 by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 3B.0591(a)(2), eff. September 1, 2007.

Redesignated from Labor Code, Section 406A.006 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.0591(a)(2), eff. September 1, 2007.

Sec. 2055.007. GROUP DISCOUNT. (a) A group that purchases

a policy under this chapter is entitled to any premium or volume discount that would be applicable to a policy of the combined premium amount.

(b) A group shall apportion any discount or policyholder dividend received on workers' compensation insurance coverage among the members of the group according to a formula adopted in the plan of operation for the group.

Added by Acts 2005, 79th Leg., Ch. 727 (H.B. 2017), Sec. 17, eff. April 1, 2007.

Redesignated from Labor Code, Section 406A.007 by Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 3B.0591(a)(2), eff. September 1, 2007.

Redesignated from Labor Code, Section 406A.007 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.0591(a)(2), eff. September 1, 2007.

Sec. 2055.008. APPLICABILITY OF OTHER LAW. (a) A group established under this chapter is entitled to any deviation applicable under Section 2052.004, 2053.051, or 2053.052(a) or (b).

(b) A member of a group is not subject to the discounts and surcharges established under Subchapter F, Chapter 2053.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 730 (H.B. 2636), Sec. 3B.0591(c), eff. September 1, 2007.

Redesignated from Labor Code, Section 406A.008 by Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.0591(a)(2), eff. September 1, 2007.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 921 (H.B. 3167), Sec. 9.0591(c), eff. September 1, 2007.