

INSURANCE CODE

TITLE 4. REGULATION OF SOLVENCY

SUBTITLE B. RESERVES AND INVESTMENTS

CHAPTER 426. RESERVES FOR WORKERS' COMPENSATION INSURANCE

COMPANIES

Sec. 426.001. RESERVES REQUIRED. A workers' compensation insurance company engaged in business in this state shall maintain reserves in an amount estimated in the aggregate to provide for the payment of all losses and claims incurred, whether reported or unreported. The company may not maintain reserves in an amount that is greater than reasonably necessary for that purpose.

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

Sec. 426.002. COMPUTATION OF RESERVES. Reserves required by Section 426.001 must be computed in accordance with any rules adopted by the commissioner to adequately protect insureds, secure the solvency of the workers' compensation insurance company, and prevent unreasonably large reserves.

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

Sec. 426.003. MAINTENANCE OF RESERVES; NOTICE OF NONCOMPLIANCE. (a) If a workers' compensation insurance company's reserves are determined under this chapter to be:

(1) inadequate, the commissioner shall notify the company and require the company to establish and maintain reasonable additional reserves; or

(2) unreasonably large, the commissioner shall notify the company and require the company to reduce the amount of reserves to a reasonable amount.

(b) Not later than the 60th day after the date of notification of noncompliance under Subsection (a), the company shall:

(1) restore compliance as required by Subsection (a);  
and

(2) file a statement of restored compliance, accompanied by any documentation required by the commissioner. Added by Acts 2005, 79th Leg., Ch. 727 (H.B. [2017](#)), Sec. 1, eff. April 1, 2007.