



Texas Department of Insurance

Commissioner of Insurance, Mail Code 113-1C
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August 17, 2005

COMMISSIONER'S BULLETIN NO. B-0034-05

TO: WORKERS' COMPENSATION SYSTEM PARTICIPANTS

RE: ENFORCEMENT

House Bill 7 (HB 7) sets forth the regulatory oversight and enforcement authority of the Texas Department of Insurance, Division of Workers' Compensation (Division). HB 7 changes take effect September 1, 2005 and those changes take precedence over any conflicting provisions in workers' compensation rules.

Workers' compensation rules remain in effect unless the rules conflict with statutory provisions. The following highlights the enforcement changes effective September 1, 2005:

- The Division is not required to prove "willful or intentional" conduct in order to assess an administrative penalty.
- The current classification system for administrative penalties is eliminated. The Commissioner of Workers' Compensation is authorized to assess administrative penalties up to a maximum of \$25,000 per day per occurrence.
- A penalty schedule is no longer required by rule. The penalty calculator will be removed from the Division's website.
- An insurance carrier commits an administrative violation if that insurance carrier makes a statement denying all future medical care for a compensable injury.
- Civil and administrative penalties are statutorily authorized for knowingly using or causing to be used the Division's name and logo, the name and initials of TDI, or any combination of the words "Texas" and "Workers' Compensation" by a person offering or performing workers' compensation services in the state.
- The Division may share workers' compensation investigative material with an insurance carrier if the investigative file relates to a felony regarding workers' compensation or a claim in which restitution is required to be paid to the insurance carrier.

Effective September 1, 2005, the Division and all enforcement efforts will operate in accordance with the new statutory changes for an offense or violation committed on or after September 1, 2005. An offense or violation is considered to have been committed before September 1, 2005 if any element of the offense occurs before that date. An offense committed before that date is governed by the law and rules in effect when the offense is committed.

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Sincerely,

Mike Geeslin
Commissioner of Insurance