

BILL ANALYSIS

Senate Research Center
76R2989 PB-D

H.B. 542
By: Brimer (Fraser)
Economic Development
5/9/1999
Engrossed

DIGEST

Currently, all sitting board members of the Texas Workers' Compensation Insurance Fund must be policyholders of the fund. Since 1994, the policyholder base of the fund has decreased nearly 50 percent, making it increasingly difficult to locate and recruit board members. This bill would delete the requirement that board members of the fund be policyholders, in order to provide the fund the option of recruiting board members from outside its policyholder base, if necessary.

PURPOSE

As proposed, H.B. 542 deletes the requirement that board members of the Texas Workers' Compensation Insurance Fund be policyholders of the fund, in order to provide the fund the option of recruiting board members from outside its policyholder base, if necessary.

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 Section 3, Article 5.76-3, Insurance Code, by deleting the requirement that to be eligible for appointment as a member of the board of directors of the Texas Workers' Compensation Insurance Fund (board) a person must be a policyholder of the fund or an officer or employee of a policyholder and must maintain that status during the period on the board. Deletes text providing that failure to maintain eligibility requirements disqualifies a board member and creates a vacancy on the board. Deletes text requiring the initial appointees to the board to be employers in this state. Makes conforming and nonsubstantive changes.

SECTION 2. Emergency clause.
Effective date: upon passage.