

BILL ANALYSIS

Senate Research Center

H.B. 1203
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State Affairs
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Engrossed

DIGEST AND PURPOSE

Current law authorizes a state agency or an institution of higher education (agency) to purchase its own insurance policies. As a result, a state agency may purchase an unnecessary or questionable policy which may pose an additional cost to the state. H.B. 1203 requires the State Office of Risk Management (office) to administer insurance services obtained by certain state agencies and operate as a full-service insurance and risk manager, and requires the office, in administering insurance services, to purchase insurance coverage for state agencies.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the risk management board in SECTION 1.02 (Section 412.011, Labor Code); SECTION 1.04 (Section 412.0121, Labor Code); and SECTION 3.01 of this bill.

Rulemaking authority is expressly granted to the State Office of Risk Management in SECTION 1.11 (Section 2, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

ARTICLE 1. PURCHASE OF INSURANCE COVERAGE

Amends various provisions and adds various new provisions regarding the purchase and administration of insurance coverage by certain state agencies; certain duties, functions, and authorities of the State Office of Risk Management (office), the risk management board (board), and the executive director of the office; workers' compensation; and certain reporting requirements of an insurer.

ARTICLE 2. EFFECT OF USE OF LEAVE ON INCOME BENEFITS

Sets forth provisions regarding the effect of the use of sick and annual leave on certain income benefits under certain conditions.

ARTICLE 3. TRANSITION; EFFECTIVE DATE

SECTION 3.01. (a) Effective date: September 1, 2001, except as provided by Subsections (b), (c), and (d) of this section.

(b) Requires the board, not later than December 1, 2001, to adopt rules to implement the changes in law made by the amendments made by this Act to Chapter 412, Labor Code and article 21.49-15A, Insurance Code, as added by this Act.

(c) Provides that an insurer is not required to comply with the reporting requirements adopted under Article 21.49-15A, Insurance Code, as added by this Act, until January 1, 2002. Provides that Article 21.49-15A, Insurance Code, as added by this Act, applies only to an insurance policy, contract, or agreement delivered, issued for delivery, or renewed on or after

January 1, 2002. Provides that a policy, contract, or agreement delivered, issued for delivery, or renewed before January 1, 2002, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

(d) Makes application of Section 505.060, Labor Code, as added by this Act, prospective.