

TEXAS DEPARTMENT OF INSURANCE
EXEMPT FILING NOTIFICATION PURSUANT TO TEXAS INSURANCE CODE
CHAPTER 5, SUBCHAPTER L, ARTICLE 5.96

The Commissioner of Insurance (Commissioner) will hold a public hearing under Docket No. 2722 on November 10, 2010, at 9:30 a.m., in Room 100 of the William P. Hobby Building, 333 Guadalupe Street, in Austin, Texas, to consider a petition by the staff of the Texas Department of Insurance (Department) proposing the adoption of amendments to Rule XIX of the Texas Basic Manual of Rules, Classifications and Experience Rating Plan for Workers' Compensation and Employers' Liability Insurance (Basic Manual) concerning the deductible programs. Staff's petition (Reference No. W-1010-12-I) was filed on October 11, 2010.

Staff requests that the proposed updated tables amending the Basic Manual Rule XIX be made effective for workers' compensation policies with an effective date on or after May 1, 2011.

Article 5.96 and §2053.202 of the Texas Insurance Code authorize the filing of the petition and the requested Commissioner's action. Section 2053.202 requires the Department to adopt at least three optional deductible plans that allow a workers' compensation insurance policyholder to self-insure for the amount of the deductible.

Staff's petition proposes to amend Basic Manual Rule XIX to update the deductible credit tables for the three promulgated deductible programs: per accident deductible, aggregate deductible, and per accident/aggregate deductible. The proposed change in the level of the deductible credits reflects the improved loss experience in Texas in recent years. The proposed change also adjusts the premium level for those policyholders selecting one of the three promulgated deductible programs to be in compliance with the rate standard set forth in §2053.002(b) of the Texas Insurance Code.

The proposed change in the deductible credits further reflects the concurrent proposed expansion of the hazard groups from four groups to seven groups. The proposed change from four hazard groups to seven hazard groups is addressed in a separate staff petition (Reference No. W-1010-11-I), filed on October 11, 2010.

Copies of the full text of the staff petitions and the proposed updated deductible credit tables are available for review in the Office of the Chief Clerk of the Texas Department of Insurance, 333 Guadalupe Street, Austin, Texas, 78714-9104. For further information or to request copies of the petitions and proposed tables, please contact Sylvia Gutierrez at ChiefClerk@tdi.state.tx.us, (512) 463-6327 (Reference Nos. W-1010-11-I and W-1010-12-I).

Comments on the proposed amendments may be submitted in writing by 5:00 PM on November 22, 2010, to Gene Jarmon, General Counsel and Chief Clerk, Texas Department of Insurance, P.O. Box 149104, Mail Code 113-2A, Austin, Texas, 78714-9104. An additional copy of the comments should be simultaneously submitted to Nancy Moore, Deputy Commissioner, Workers' Compensation Classification and Premium Calculation Division, Texas Department of Insurance, P.O. Box 149104, Mail Code 105-2A, Austin, Texas, 78714-9104. Interested persons may also submit oral and/or written comments at the hearing.

This notification is made pursuant to Article 5.96 of the Texas Insurance Code, which exempts action taken under this article from the requirements of the Administrative Procedure Act (Government Code, Title 10, Chapter 2001).