

PETITIONER § **BEFORE THE**
STAFF OF THE TEXAS § **COMMISSIONER OF**
DEPARTMENT OF INSURANCE § **INSURANCE**

**PETITION FOR ADOPTION OF AMENDMENTS TO PART TWO C. 8. OF THE
WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY,
THE FEDERAL COAL MINE HEALTH AND SAFETY ACT COVERAGE
ENDORSEMENT (WC 00 01 02),
THE OUTER CONTINENTAL SHELF LANDS ACT COVERAGE ENDORSEMENT
(WC 00 01 09A) AND THE INFORMATION PAGE (WC 00 00 01)**

The staff of the Texas Department of Insurance (Department) files this petition to amend Part Two C. 8. of the Workers' Compensation and Employers' Liability Insurance Policy (the policy), to amend the Federal Coal Mine Health and Safety Act Coverage Endorsement (WC 00 01 02) and the Outer Continental Shelf Lands Act Coverage Endorsement (WC 00 01 09 A), to make minor editorial changes to Part Two B, C, and D of the policy, and to amend the Information Page (WC 00 00 01). The policy, the two endorsements, and the Information Page are contained in the Texas Basic Manual of Rules, Classifications and Experience Rating Plan for Workers' Compensation and Employers' Liability Insurance (Basic Manual).

The staff proposes the adoption of amendments to Part Two C. 8. of the policy to make the following changes: (1) amend the name of the Federal Coal Mine Health and Safety Act of 1969 to the Federal Coal Mine Safety and Health Act; (2) update the statutory reference to the United States Code (U.S.C.) for the Federal Coal Mine Safety and Health Act; and (3) update the statutory reference to the U.S.C. for the Outer Continental Shelf Lands Act.

The staff proposes amendments to the Federal Coal Mine Health and Safety Act Coverage Endorsement (WC 00 01 02) to amend the name of the Federal Coal Mine Health and Safety Act of 1969 to the Federal Coal Mine Safety and Health Act. The

staff also proposes an update to the statutory reference in the U.S.C. from “30 USC §§ 931-942” to “30 U.S.C. §§801-945.”

The staff proposes a change to the Outer Continental Shelf Lands Act Coverage Endorsement (WC 00 01 09 A) that updates the statutory reference to the U.S.C. from “43 USC Sections 1331-1356” to “43 U.S.C. §§1331-1356a.”

The staff also proposes minor editorial changes to Part Two B, C, and D to capitalize the first letter of the first word in each subsection to make those subsections consistent with other parts of the policy.

The staff proposes to amend the Information Page (WC 00 00 01) by replacing the words “Blank Insurance Company” with “Insurer” in the space for the name of the insurance company writing the workers’ compensation coverage.

Article 5.96 and §2052.002 of the Texas Insurance Code authorize the filing of this petition and the action requested of the Commissioner. Article 5.96 authorizes the Department to prescribe, promulgate, adopt, approve, amend, or repeal standard and uniform manual rules, rating plans, classification plans, statistical plans, and policy and endorsement forms for various lines of insurance, including workers’ compensation insurance. Section 2052.002 requires the Commissioner to prescribe standard policy forms and a uniform policy for workers compensation insurance.

I. Proposal for Consideration and Adoption

- A.** Staff proposes the consideration and adoption of amendments to Part Two C. 8. of the Workers’ Compensation and Employers’ Liability Insurance Policy in the Basic Manual. These proposed amendments to the policy update the statutory reference to the Federal Mine Safety and Health Act and are shown on Page 3 of Exhibit A which is attached.

- B.** Staff proposes the consideration and adoption of amendments to the Federal Coal Mine Health and Safety Act Coverage Endorsement (WC 00 01 02) in the Basic

Manual. The proposed amendments to the Federal Coal Mine Health and Safety Act Coverage Endorsement update the statutory reference to the Federal Mine Safety and Health Act and are attached as Exhibit B.

- C. Staff proposes the consideration and adoption of an amendment to the Outer Continental Shelf Lands Act Coverage Endorsement (WC 00 01 09 A) in the Basic Manual. The proposed amendment to the Outer Continental Shelf Lands Act Coverage Endorsement updates the statutory reference to the outer Continental Shelf Lands Act and is attached as Exhibit C.
- D. Staff proposes the consideration and adoption of minor editorial changes to Part Two B, C, and D. These proposed amendments to the policy capitalize the first letter of the first word of each subsection and appear on Pages 3 and 4 of Exhibit A.
- E. Staff proposes the consideration and adoption of a minor editorial change to the Information Page (WC 00 00 01). The proposed amendment to the Information Page replaces the words "Blank Insurance Company" with "Insurer" in the space designated to show the name of the insurance company providing the workers' compensation coverage, and is attached as Exhibit D.
- F. Staff proposes that the amended policy, Federal Coal Mine Health and Safety Act Coverage Endorsement, Outer Continental Shelf Lands Act Coverage Endorsement, and Information Page, all of which are contained in the Basic Manual, be available for use for policies with an effective date of July 1, 2011; and be required for use for policies with an effective date on or after January 1, 2012.

II. Background and Justification

Insurance Code §2052.002 requires the Commissioner to prescribe standard policy forms and a uniform policy for workers' compensation insurance. All insurance companies writing workers' compensation insurance are required to use the prescribed policy forms and policy language. The changes proposed by the staff in this petition are to update the names of specific Federal statutes that are mentioned in the policy and in

the endorsements and to update outdated statutory names and citations in the policy. In addition, the recommended change to the Information Page will eliminate any confusion created by showing "Blank Insurance Company" in the space for the name of the insurance company writing the coverage.

The amendment of the name of the Federal Coal Mine Health and Safety Act of 1969 to the Federal Coal Mine Safety and Health Act in Part Two C. 8. of the policy and in the Federal Coal Mine Health and Safety Act Endorsement does not affect the coverage under the policy. The law continues to apply even though its name changes, as evinced by the language "or any amendments to these laws" in Part Two C. 8. of the policy and the language "and any amendment to that law that is in effect during the policy period" in the Federal Coal Mine Health and Safety Act Endorsement. The staff realizes that in 1977, this law was renamed the Federal Mine Safety and Health Act of 1977 (Mine Act) and that the change being recommended in this petition does not reflect the Mine Act's current name. However, the proposed statutory citation for the Mine Act, 30 U.S.C. §§801-945, is correct, and the changes proposed in this petition are necessary to make the Texas Workers' Compensation and Employers' Liability Policy and Information Page consistent with the workers' compensation and employers' liability policy and information page used in most other states. The ability to use the same policy language and information page throughout most of the states will enable policyholders and insurance companies doing business in multiple states to operate more efficiently and with fewer errors.

III. Requested Action

Staff respectfully requests that:

- (1) The proposed amendments to the policy as specified in Exhibit A be adopted by the Commissioner;
- (2) The proposed amendments to the Federal Coal Mine Health and Safety Act Endorsement as specified in Exhibit B be adopted by the Commissioner;

- (3) The proposed amendments to the Outer Continental Shelf Lands Act Coverage Endorsement as specified in Exhibit C be adopted by the Commissioner;
- (4) The proposed amendments to the Information Page as specified in Exhibit D be adopted by the Commissioner; and
- (5) The revisions to the policy, the Federal Coal Mine Health and Safety Act Endorsement, the Outer Continental Shelf Lands Act Coverage Endorsement, and the Information Page be available for use for policies with an effective date of July 1, 2011; and be required for use for policies with an effective date on or after January 1, 2012.

Respectfully submitted,

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WC Classification and Premium Calculation Division