

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

The staff of the Texas Department of Insurance (Department) has filed Petition No. W-0411-03-l proposing amendments to the Texas Basic Manual of Rules, Classifications and Experience Rating Plan for Workers' Compensation and Employers' Liability Insurance (Basic Manual) for consideration by the Commissioner, concerning a change in the permissible methods of distribution of experience modifier calculations to allow the experience modifier to be made available electronically or by mail. The petition was filed on April 18, 2011

Staff requests that the proposed revisions to the Basic Manual apply to the distribution of all experience modifiers issued on or after July 1, 2011.

Article 5.96 and §2053.052 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 2053.052 requires the Commissioner to adopt a uniform experience rating plan for workers' compensation insurance

The petition proposes to change the wording in Basic Manual Texas Experience Rating Plan Section I.A. and Rule D.3. of the Basic Manual Appendix to allow a copy of the experience modifier calculation to be "made available" to the insured rather than requiring that a copy of the experience modifier be "furnished" or "forwarded" to the insured, as is currently required. Historically, one copy of the experience modifier calculation has been mailed to the insured. Mailing paper copies of important documents was the standard before creating and sending reliable electronic copies became feasible, due to a variety of factors, including appropriate standardized, widely available technology to receive and verify the authenticity of such documents. Sending the experience modifier calculation by mail required time to transport the

document, as well as other resources, such as fuel, ink, and paper. Electronic transmission allows for quicker, easier access to the experience modifier calculations than was possible at the time the current rule was enacted. The amendments are necessary to enable insurers to make a free copy of the experience modifier available electronically or by mail. The insured would still be able to choose to receive a hard copy of the experience modifier free of charge.

Copies of the full text of the staff petition and the proposed exhibits 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 petition and proposed exhibits, please contact Sylvia Gutierrez at ChiefClerk@tdi.state.tx.us, (512) 463-6327 (Reference No. W-0411-03-I).

These amendments are subject to the Commissioner's consideration for approval without a hearing. Any comments or requests for a hearing may be filed with the Office of the Chief Clerk, Texas Department of Insurance, Mail Code 113-2A, Austin, Texas, 78714-9104, within 15 days of publication of this notice. 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.

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).