

No. 2020-6354

**Official Order
of the
Texas Commissioner of Insurance**

Date: 06/02/2020

Subject Considered:

Elimination of TDI-Developed Classification Relativities as a Rate Basis

General remarks and official action taken:

The subject of this order is the elimination of TDI-developed workers' compensation classification relativities as a rate basis for policies with effective dates on or after July 1, 2020.

TDI last revised the relativities effective July 1, 2019, under Commissioner's Order No. 2019-5949, dated April 26, 2019. Senate Bill 1336, 86th Legislature, Regular Session (2019), eliminated TDI's statutory obligation to develop workers' compensation relativities. Consistent with SB 1336, TDI will no longer develop revised relativities.

The following findings of fact and conclusions of law are adopted:

Findings of Fact

1. TDI has historically developed revised relativities in most years. TDI last revised the relativities effective July 1, 2019, under Commissioner's Order No. 2019-5949, dated April 26, 2019.
2. SB 1336 eliminated TDI's statutory obligation to develop workers' compensation relativities, effective July 1, 2020.

Conclusions of Law

1. The Commissioner has jurisdiction over this matter under Insurance Code Section 2053.051, which requires TDI to determine hazards by class. It further provides that TDI must revise the classification system as necessary.

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2. Removing TDI-developed classification relativities as a rate basis is consistent with SB 1336.

Order

It is ordered that each insurer writing workers' compensation insurance in Texas not use TDI-developed relativities for policies with effective dates on or after July 1, 2020.

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Kent Sullivan

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Kent C. Sullivan

Commissioner of Insurance