



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation

7551 Metro Center Drive, Suite 100, Austin, Texas 78744-1645

(512) 804-4000 | F: (512) 804-4001 | (800) 252-7031 | TDI.texas.gov | @TexasTDI

memo

To: Texas Workers' Compensation System Participants

From: Teresa Carney, Director, System Monitoring and Oversight

Date: February 2, 2016

RE: Insurance Carrier Claim Adjusting and Plain Language Notices; PLN-1 and PLN-11

The Texas Department of Insurance, Division of Workers' Compensation (TDI-DWC) reminds system participants that the Texas Workers' Compensation Act and related rules contain several provisions regarding an insurance carrier's duty to reasonably adjust claims, including completing and filing plain language notices (PLNs). Timely filing notices helps ensure injured employees are notified of actions taken on their claims, including the reasons for such actions. These notices also provide injured employees with important information about their rights to request a benefit review conference (BRC) to dispute any denial or refusal to pay benefits.

Insurance carriers are required to file the PLN-01, *Notice of Denial of Compensability/Liability and Refusal to Pay*, and PLN-11, *Notice of Disputed Issue(s) and Refusal to Pay Benefits* in accordance with agency rules. Notices must provide full and complete statements in plain language that clearly explain the denial or dispute. Generic statements without a clear explanation of reasons for the action are not sufficient. Examples of statements that do not meet the requirements can be found in 28 Texas Administrative Code (TAC) §124.2(f) and (h). Insurance carriers must file the PLN-1 or PLN-11 timely in accordance with 28 TAC §124.3(a) and (e), and §132.17(b).

TDI-DWC also reminds system participants that parties in dispute resolution proceedings are required to exchange pertinent information with the opposing party before BRCs and contested case hearings (CCHs). Pertinent information is all information relevant to the resolution of the disputed issue or issues to be addressed at the BRC, and examples of pertinent information are available on the TDI website at www.tdi.texas.gov/wc/idr/brc_info_ic.html. 28 TAC §141.4. **The PLN-1 and PLN-11 are considered pertinent information and must be exchanged with the opposing party and sent to TDI-DWC before the scheduled BRC or CCH.** 28 TAC §141.4(e) and §142.13(b) and (c).

Pursuant to Labor Code §415.002(a)(11) it is an administrative violation for an insurance carrier or its representative to fail to process claims promptly in a reasonable and prudent manner. It is also an administrative violation for an insurance carrier or its representative to violate a commissioner rule or fail to comply with a provision of the Act. Labor Code §415.002(a)(20) and (22). In addition, insurance carriers are specifically reminded of the following administrative violations:

- Labor Code §415.002(a)(2) – Terminating or reducing benefits without substantiating evidence that the action is reasonable and authorized by law;
- Labor Code §415.002(a)(5) – Failing to tender promptly full death benefits if a legitimate dispute does not exist as to the liability of the insurance carrier;

- Labor Code §415.002(a)(12) – Failing to initiate or reinstate benefits when due if a legitimate dispute does not exist as to the liability of the insurance carrier; and
- Labor Code §415.002(a)(18) – Controverses a claim if the evidence clearly indicates liability.

Copies of the PLN-1 and PLN-11 are available on the TDI website at

www.tdi.texas.gov/forms/form20plain.html.

If you have any questions, please contact Teresa Carney at (512) 804-4702 or by email at

Teresa.Carney@tdi.texas.gov.