

CHAPTER 55. LUMP SUM PAYMENTS
28 TAC §55.15

INTRODUCTION. The Texas Department of Insurance, Division of Workers' Compensation (DWC) adopts amendments to 28 Texas Administrative Code §55.15, concerning Compromise Settlement Agreements. DWC adopts §55.15 without changes to the proposed text published in the February 10, 2023, issue of the *Texas Register* (48 TexReg 639) and will not be republished.

REASONED JUSTIFICATION. Amending §55.15 is necessary to update obsolete submission method requirements and obsolete references to the Industrial Accident Board, a predecessor agency of DWC. The amendments eliminate the use of colored or carbon copy paper when submitting settlement agreements to DWC. The amendments do not change the requirements of settlement agreements, just the way they are submitted to DWC. The amendments also update the agency's name.

Labor Code §402.061 requires the commissioner of workers' compensation to adopt rules as necessary to implement and enforce the Texas Workers' Compensation Act. Section 55.15 implements requirements for the contents of compromise settlement agreements. Former §55.15(6) required that all compromise settlement agreements be submitted to DWC in four parts on carbonless paper or with carbon paper left intact. Adopted §55.15(b) no longer has the requirement to submit compromise settlement agreements on carbonless paper and now requires compromise settlement agreements to be sent to DWC in the form and manner DWC prescribes.

SUMMARY OF COMMENTS. DWC did not receive any comments on the proposed amendments.

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STATUTORY AUTHORITY. The commissioner of workers' compensation adopts the amendments to §55.15 under Labor Code §§408.005, 402.00111, 402.00116, and 402.061.

Labor Code §408.005 requires in part that a settlement be signed by the commissioner and all parties to the dispute and sets out criteria for the commissioner to approve the settlement. Subsection (f) states that a settlement that is not approved or rejected before the 16th day after the date the settlement is submitted to the commissioner is considered to be approved by the commissioner on that date. So, to comply with Labor Code §408.005, settlements must be submitted to the commissioner.

Labor Code §402.00111 provides that the commissioner of workers' compensation shall exercise all executive authority, including rulemaking authority under Title 5 of the Labor Code.

Labor Code §402.00116 provides that the commissioner of workers' compensation shall administer and enforce this title, other workers' compensation laws of this state, and other laws granting jurisdiction to or applicable to the division or the commissioner.

Labor Code §402.061 provides that the commissioner of workers' compensation shall adopt rules as necessary to implement and enforce the Texas Workers' Compensation Act.

TEXT.

§55.15. Compromise Settlement Agreements.

(a) A compromise settlement agreement must contain the following information:

(1) that the agreement is executed on a form approved by the division;

(2) that the agreement is accompanied by physician's signed report of the findings of a recent examination of the employee;

(3) that the employee has achieved maximum recovery, or that good reason exists for settlement prior to maximum recovery;

(4) that in the event of serious injury to the claimant's eye, healing has occurred and the division was given a medical report on whether the other eye is or may be affected; and

(5) that in all instances of severe and disfiguring burns or lacerations, a descriptive medical report of the scars will be submitted by either the association or claimant. In all such cases involving injury to the face, arms, or hands, either the claimant or insurance carrier must submit to the division a color photograph taken after maximum healing.

(b) Compromise settlement agreements submitted to the division must be submitted in the form and manner prescribed by the division. The division will provide a copy of the compromise settlement agreement to the claimant, claimant's attorney if one has been employed, and the insurance carrier's Austin representative instead of a separate approval notice.

CERTIFICATION. The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

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The commissioner adopts amendments to 28 TAC §55.15.



Jeff Nelson
Commissioner
TDI, Division of Workers' Compensation

Commissioner's Order No. 2023-8020