



TEXAS WORKERS' COMPENSATION MARKET REPORT

2025

Table of Contents

Message from the Executive Director	3
Texas Market Overview	4
Workers' Compensation Losses	5
Texas Workplace Injuries	6
Texas Workplace Fatal Occupational Injuries	7
Networks at a Glance	8
Enforcement & Compliance	12
Subscriber Issues	14
Performance Based Oversight (PBO) Assessments	15
2025 Health Care Provider PBO Assessment Plan	16
Audits	17
DWC's Research and Evaluation Group (REG) 2025 Agenda	18
Issue Spotlight- Expanded Coverage and Benefits for Public Employees	19
Legal & Litigation	20
Texas Legislature	22
Regulatory Activities	24

Message from the Executive Director

On behalf of the ICT board of directors and staff, we present the 2025 Texas Workers' Compensation Market Report. This year marks the 20th anniversary of the last major system reforms, and we're pleased to report that the system remains stable. Texas employers continue to benefit from a robust, competitive market, and injured workers have healthcare options available when they experience a workplace injury.

Highlights:

- The Texas market remains highly competitive, with 98 groups representing 335 companies reporting voluntary direct premiums written in 2024 — a 10% increase in companies compared to 2023.
- Overall direct written premiums declined slightly by 1.45%, but market participation and diversification remain strong.
- Insurers saw a modest increase in direct losses paid and overall, the market experienced a modest \$12 million loss in 2024.
- Employer participation in WC is the highest since 2016 with 87% of employees now covered
- Workplace fatalities declined and Texas employers reported a decade-low nonfatal incident rate lower than the national rate.
- ICT lobbied on behalf of our members during the 89th legislative session and tracked 59 bills related to workers' compensation, with 15 enacted into law.

We thank our Workers' Compensation Committee for reviewing Texas Department of Insurance Division of Workers' Compensation's (TDI-DWC) proposed rules and providing valuable input.

Finally, thank you for your continued membership and support of ICT. As the largest state property and casualty insurance trade association in the nation, ICT remains dedicated to advocating for our members' interests.



Albert Betts, Jr.

Executive Director,
Insurance Council of Texas

Texas Market Overview

Texas workers' compensation direct written premium **fell 4%** in 2024 to **\$2.6 billion**, representing **4.5%** of the **\$56.4 billion** U.S. workers' compensation market.

1. California



\$11.7B

2. New York



\$5.2B

3. Florida



\$3.2B

4. New Jersey



\$2.64B

5. Texas

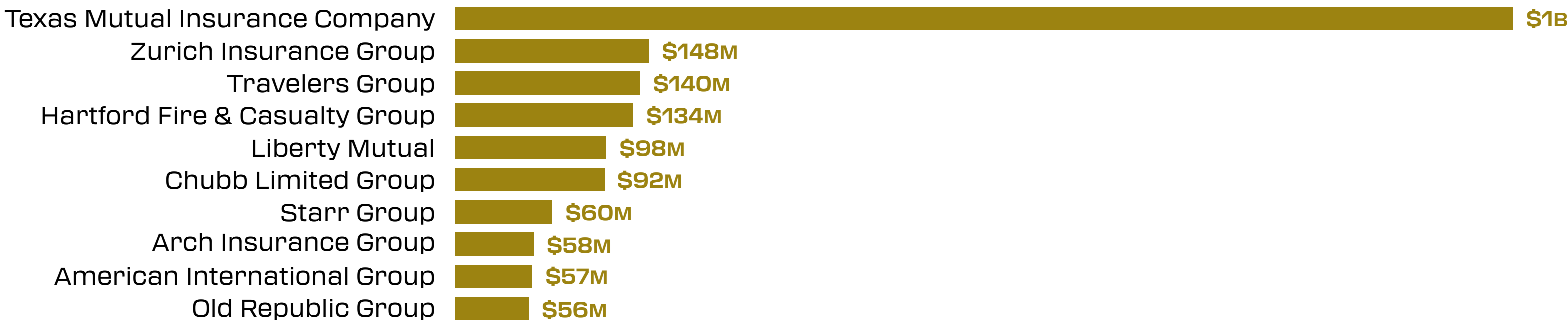


\$2.61B

\$56.4B

In 2024, **98 groups** (335 companies) wrote voluntary direct premiums for workers' compensation, up from **91 groups** (304 companies) in 2023.

2024 Top 10 Workers Compensation Groups by Premiums Written (Voluntary Market)

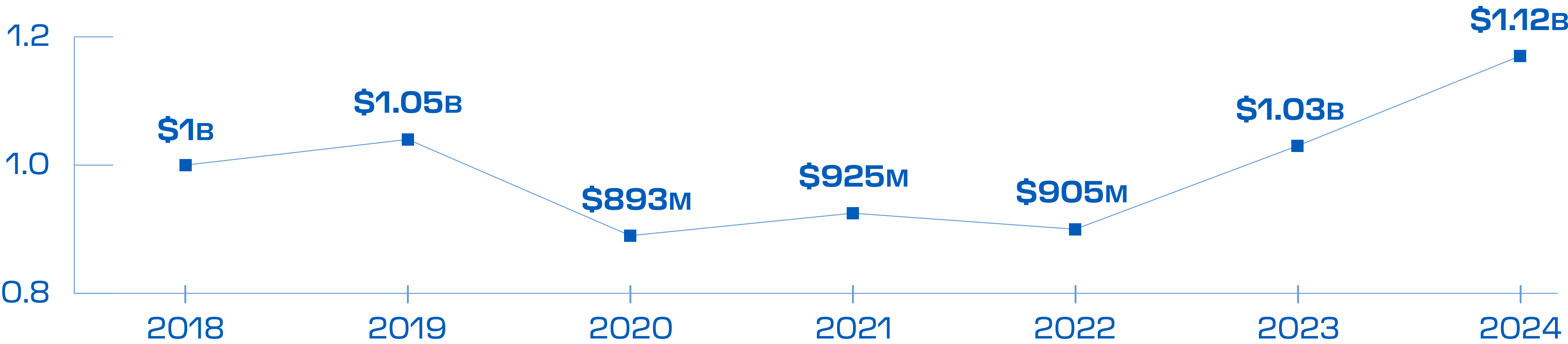


Key Insights

- Texas Mutual Insurance Company holds 39.46% of the market, **down 5.7%** from 2023.
- Direct written premiums in 2024 **decreased 1.45%** from 2023.
- The top 10 groups in Texas **accounted for 72.37%** of the market.

* The Texas Department of Insurance's 2024 Market Conditions Annual Report reported \$2.4 billion in premium for the workers' compensation voluntary market.

Workers' Compensation Losses



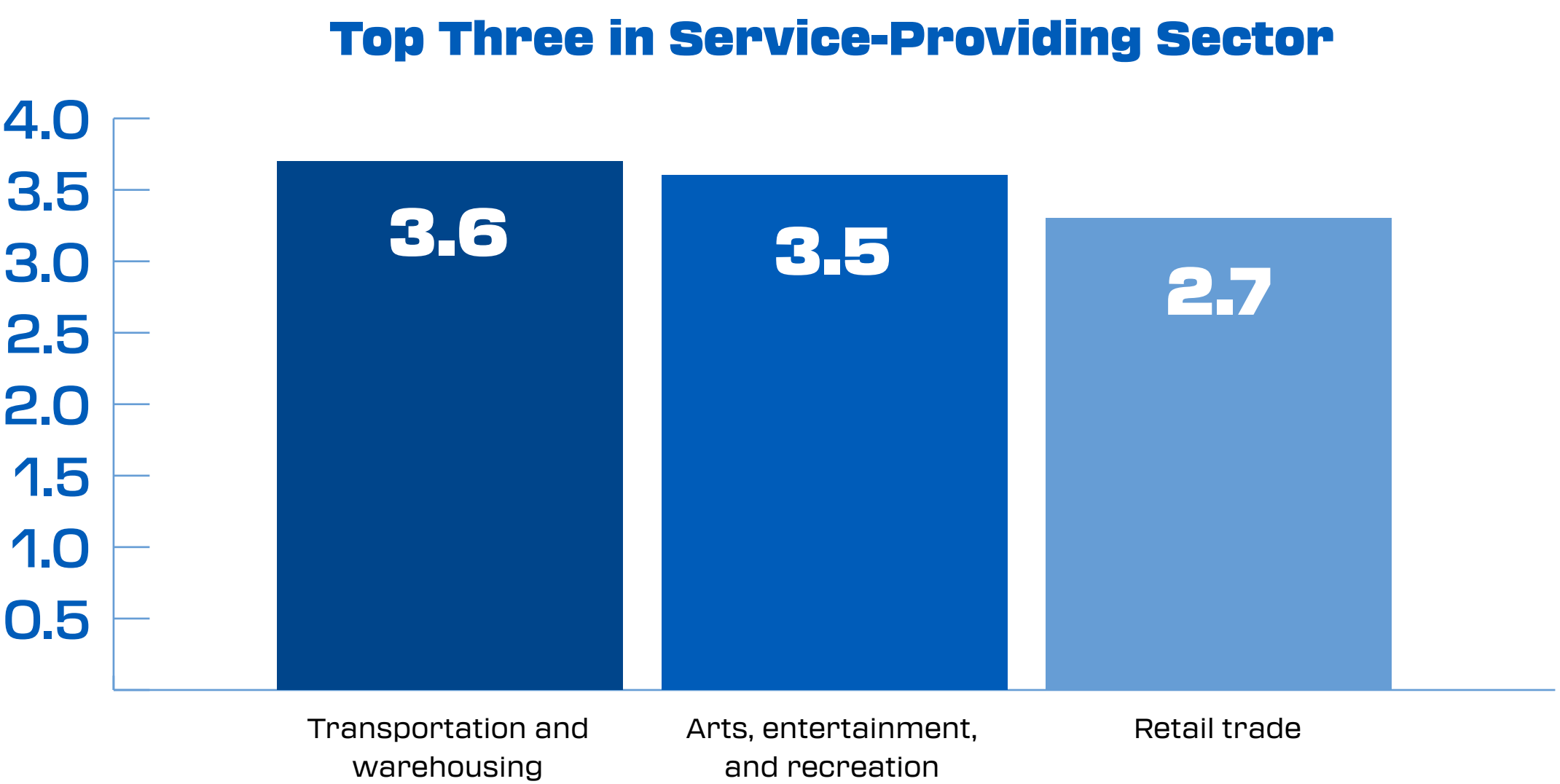
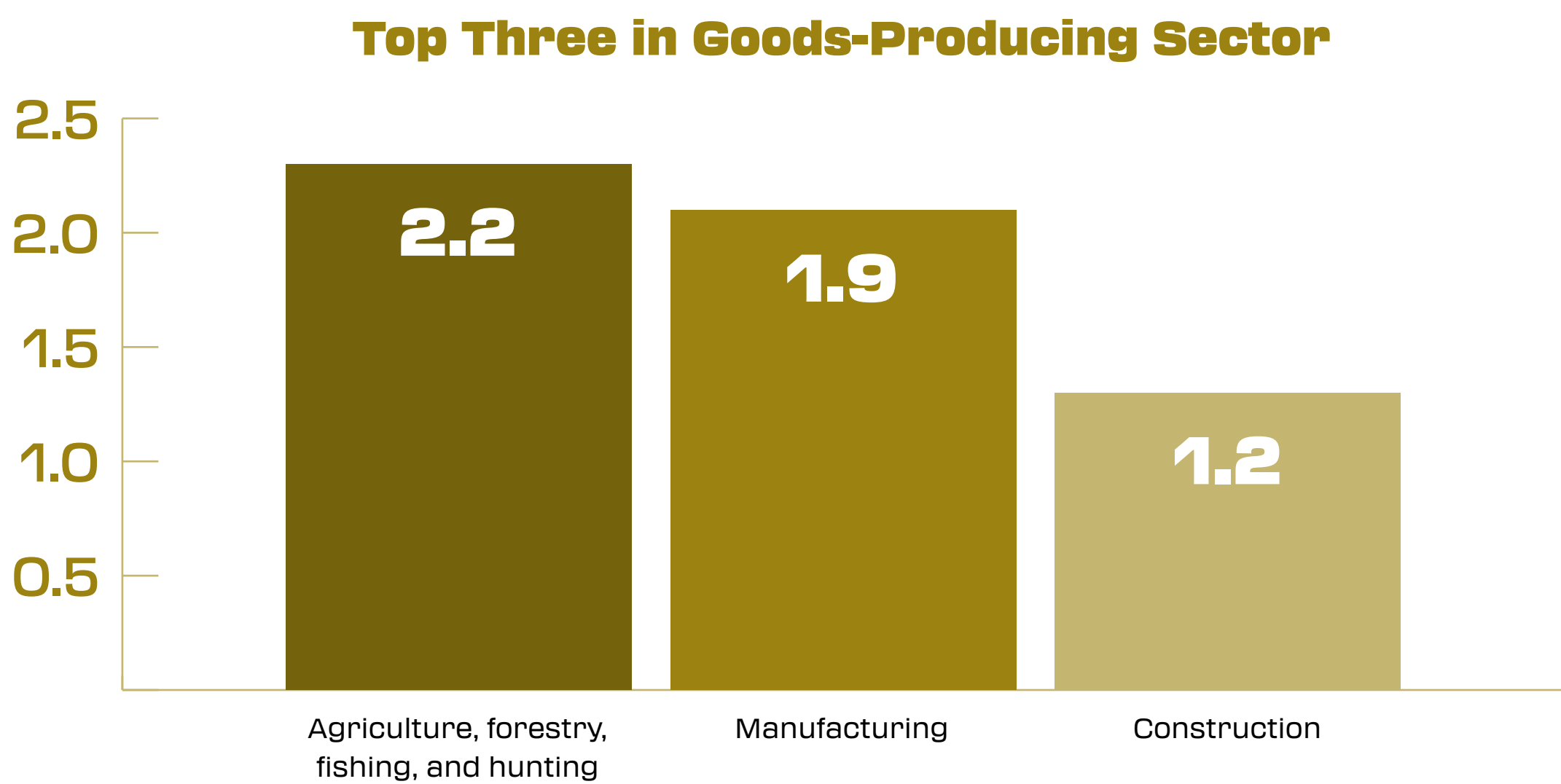
In 2024, workers' compensation insurers paid **\$1.12 billion in direct losses.**

Key Insights

- In 2024, the workers' compensation voluntary market in Texas reported a net underwriting **loss of \$12 million**, a decline from the \$348.4 million net underwriting profit in 2023.
- Direct **losses in 2024 rose 8.7%**, from \$1.03 billion to \$1.12 billion, following a 14.28% increase from 2022 to 2023.
- The 2024 **loss ratio was 43.17%**.

Texas Workplace Injuries

2023 Texas incidence rates of total recordable nonfatal occupational injuries and illnesses by private industry sector



Key Insights

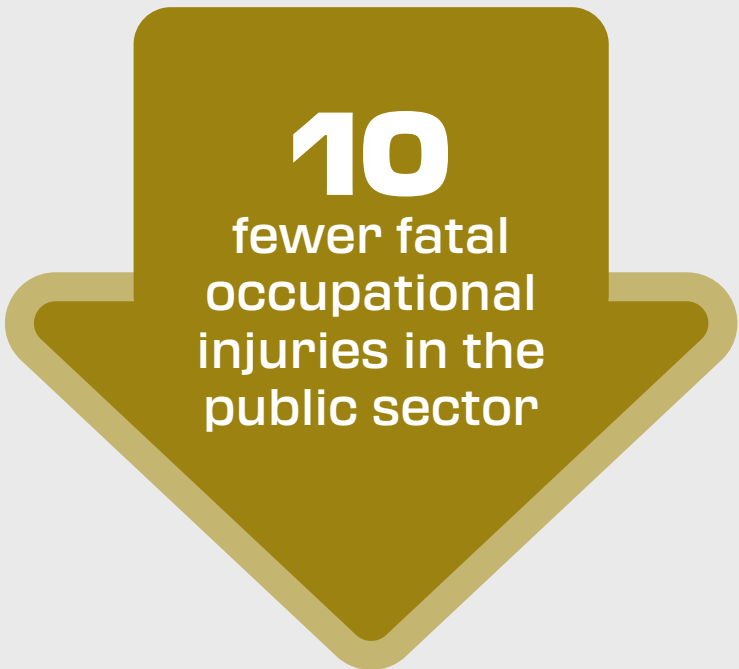
- According to the 2023 Survey of Occupational Injuries and Illnesses (SOII), Texas private-industry employers reported 175,900 total recordable nonfatal cases, with an incident rate of 1.8 per 100 full-time equivalent workers.
- This is the lowest rate in the past decade and below the national rate of 2.4.
- By comparison, in 2022, Texas reported 178,800 cases with an incidence rate of 1.9, which was also a decade low at the time. The national rate was 2.7.

Texas Workplace Fatal Occupational Injuries

In 2023, Texas recorded **564 fatal occupational injuries**, 14 fewer than in 2022, with a fatality rate of 4.1 per 100,000 full-time employees. Of these, 526 occurred in the private sector, accounting for 93% of the total, and 38 in the public sector, 11 fewer than the previous year. Nationally, there were 5,283 fatal injuries.

Key Takeaways by Industry

- Trade, transportation, and utilities had the most fatalities with 183 incidents.
- Construction fatalities fell to 126 in 2023 (down from 141 in 2022), representing 22% of statewide fatalities.
- Transportation and warehousing (private sector) fatalities declined from 128 in 2022 to 119 in 2023, accounting for 21% of statewide fatalities.



Key Takeaways by Occupation

Drivers and sales workers, including truck drivers, had the most fatalities, though incidents declined from 153 in 2022 to 144 in 2023, accounting for 26% of all cases.

Goods-Producing Industry

- Construction remained the deadliest goods-producing industry, with 124 fatalities in 2023, accounting for 24% of private-sector totals. Fatalities among specialty trade contractors fell 16%, from 94 to 79.
- Natural resources and mining also saw a 16% decline, from 61 in 2022 to 51 in 2023, representing 10% of private-sector fatalities.

Service-providing Industry

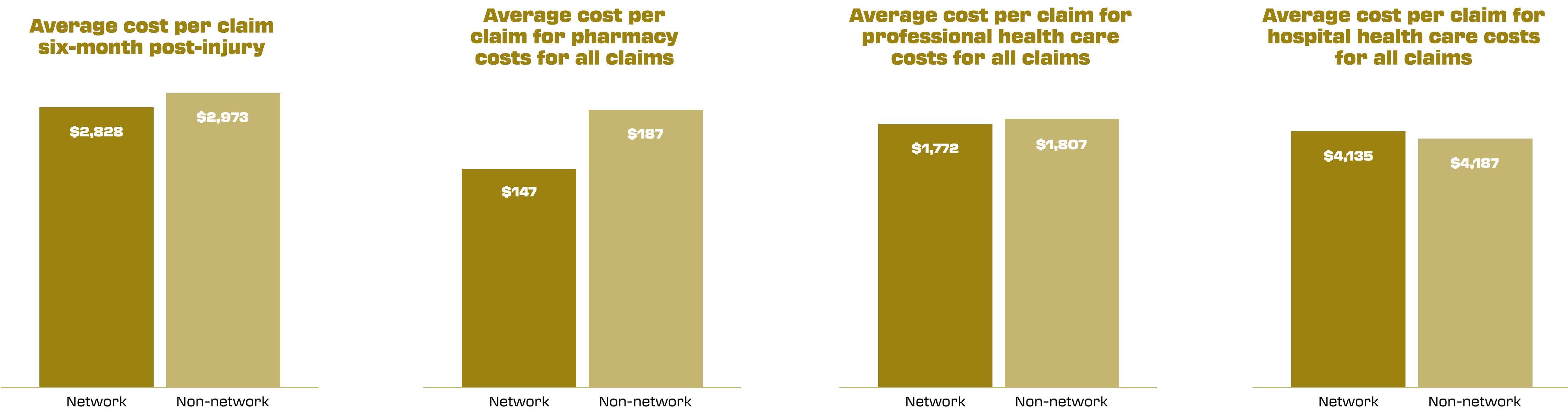
- Trade, transportation, and utilities led service industries with 174 fatalities.
- Truck transportation deaths decreased 12%, from 89 in 2022 to 78 in 2023.
- Utilities and real estate, rental, and leasing saw increases of seven and eight fatalities, respectively..

Networks at a Glance - Network v. Non-network Comparisons

As of July 1, 2024, 26 networks covering 254 Texas counties are certified to provide workers' compensation health care services.

Health care costs

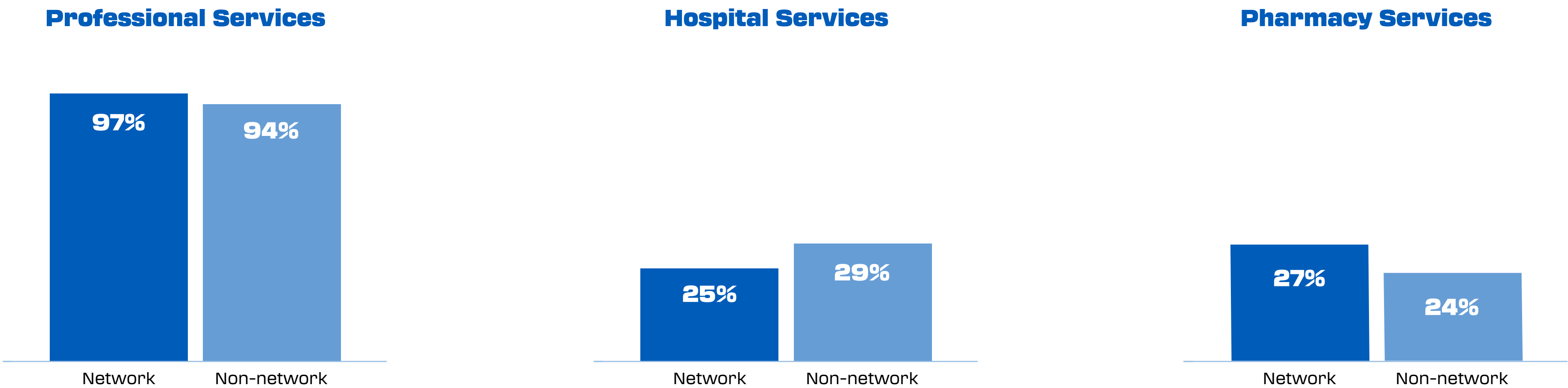
Network claims typically have lower overall healthcare costs than non-network claims at six and 12 months, with reduced professional and pharmacy expenses but higher hospital costs. However, some networks do have higher overall costs than non-network claims.



Source for the networks at a glance content is [DWC's 2024 Workers' Compensation Networks Report Card Results](#).

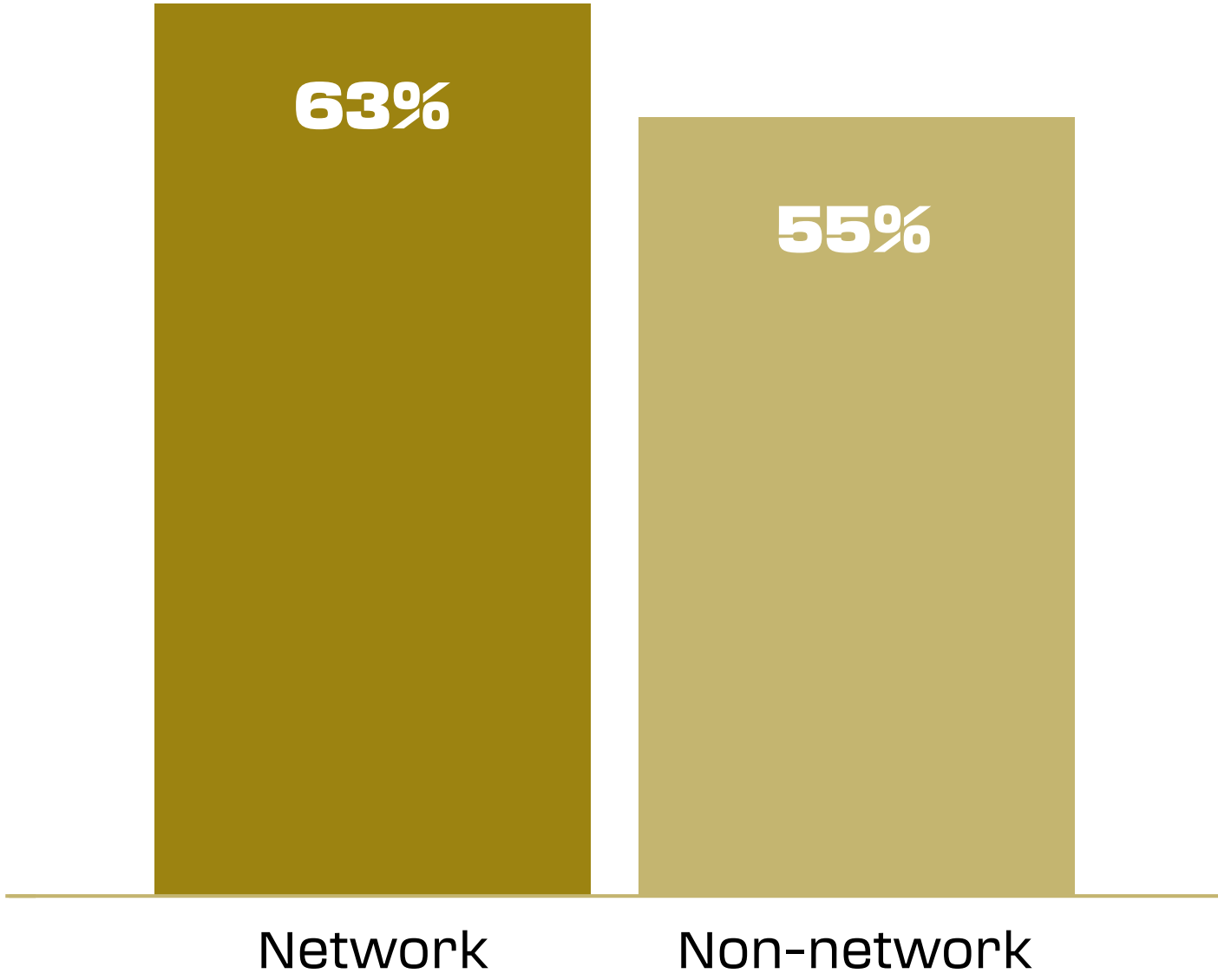
Utilization of Health Care

A higher percentage of network claims received professional services, while non-network claims had a greater share of hospital and pharmacy services



Employee Satisfaction with Care

Injured employees with network claims reported higher satisfaction with their health care, treating doctors, and agreement with their doctors, with about two-thirds stating their work-related care was the same or better than their usual medical care.



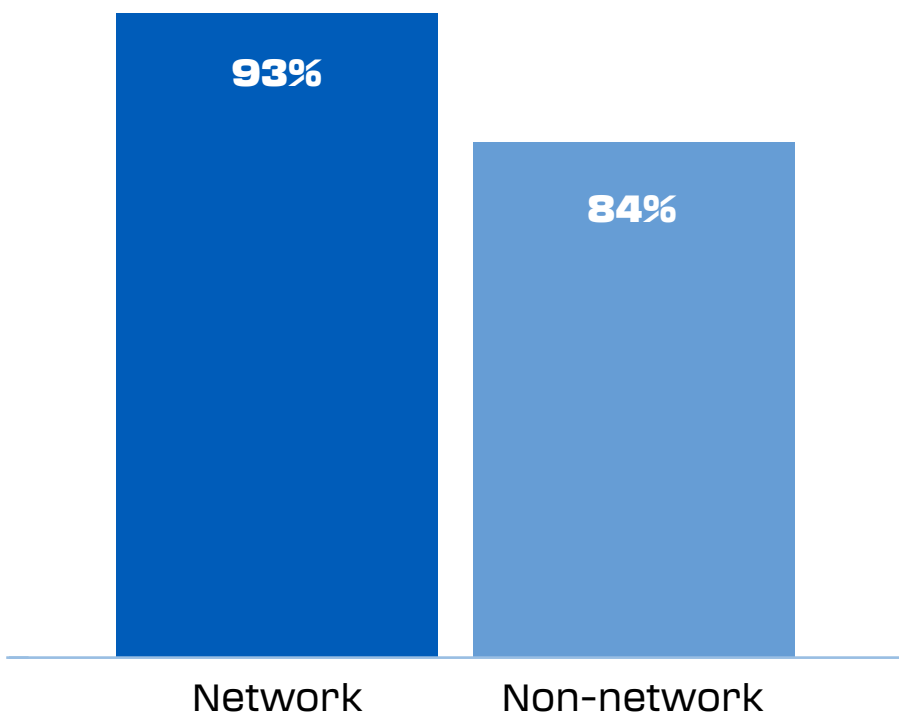
Employee Access to Care

Networks generally provided non-emergency care more quickly after an injury, with a higher percentage of injured employees reporting no issues in accessing needed medical care and receiving care promptly compared to non-network claims.



Return to work outcomes

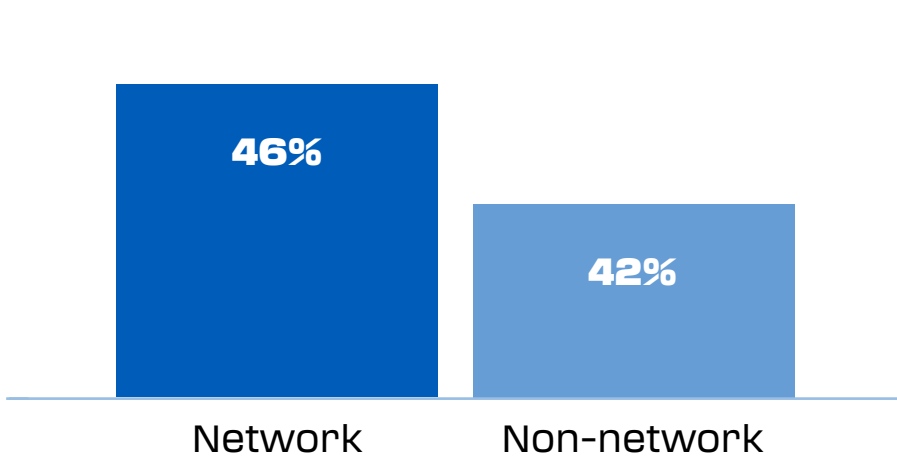
Network claims had higher return-to-work rates than non-network claims.



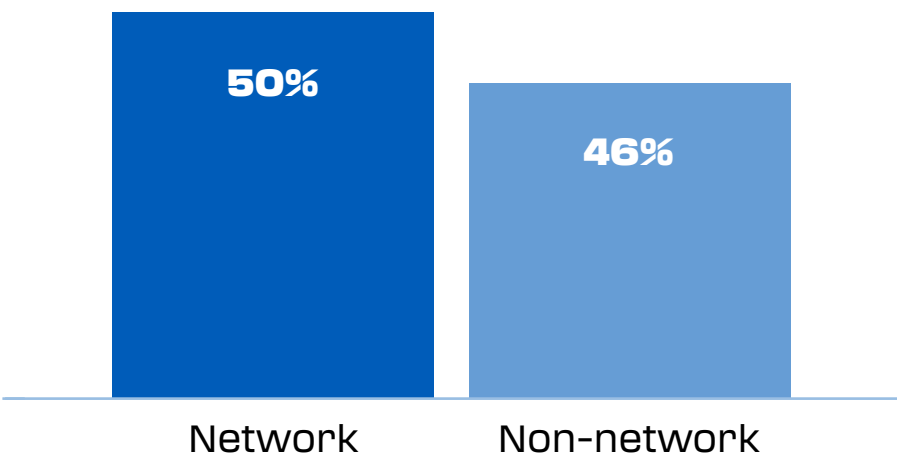
Return to work outcomes

Health-related outcomes

Most network claims had higher physical and mental functioning scores than non-network claims.



Physical functioning scores

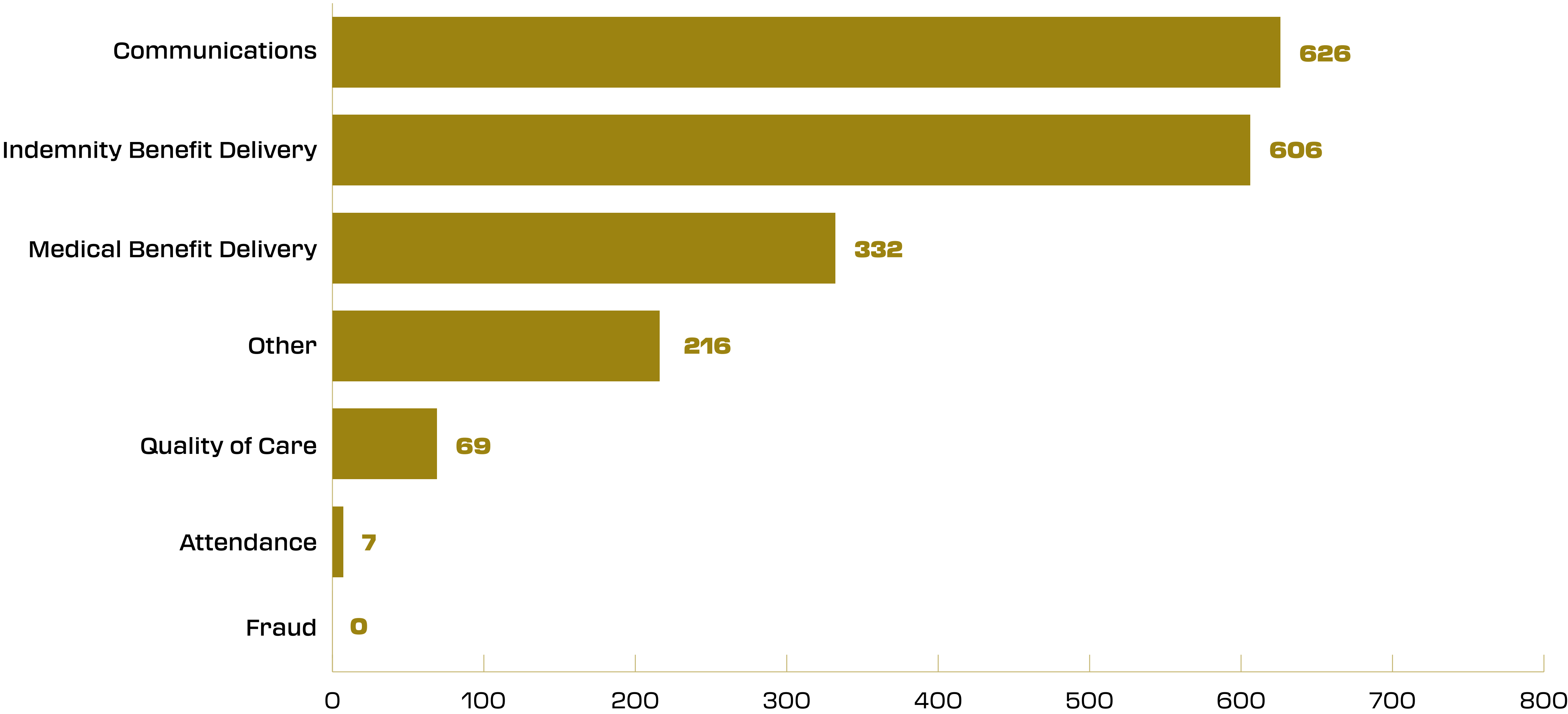


Mental functioning scores



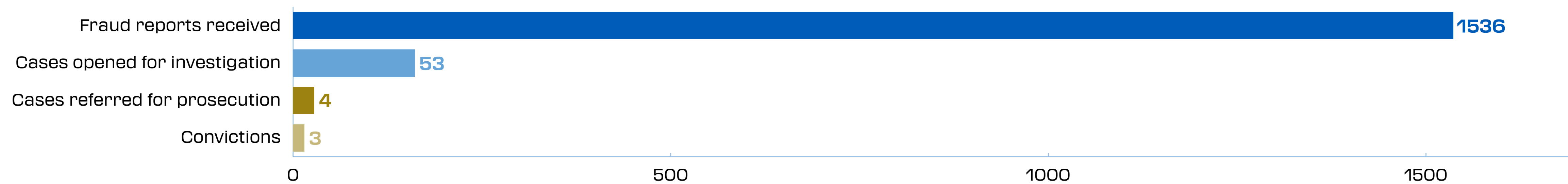
Enforcement & Compliance - 2024 Carrier Complaints

In 2024, the DWC received 1,856 insurance carrier complaints, **down 13.5%** from 2023, with 31% confirmed closed.

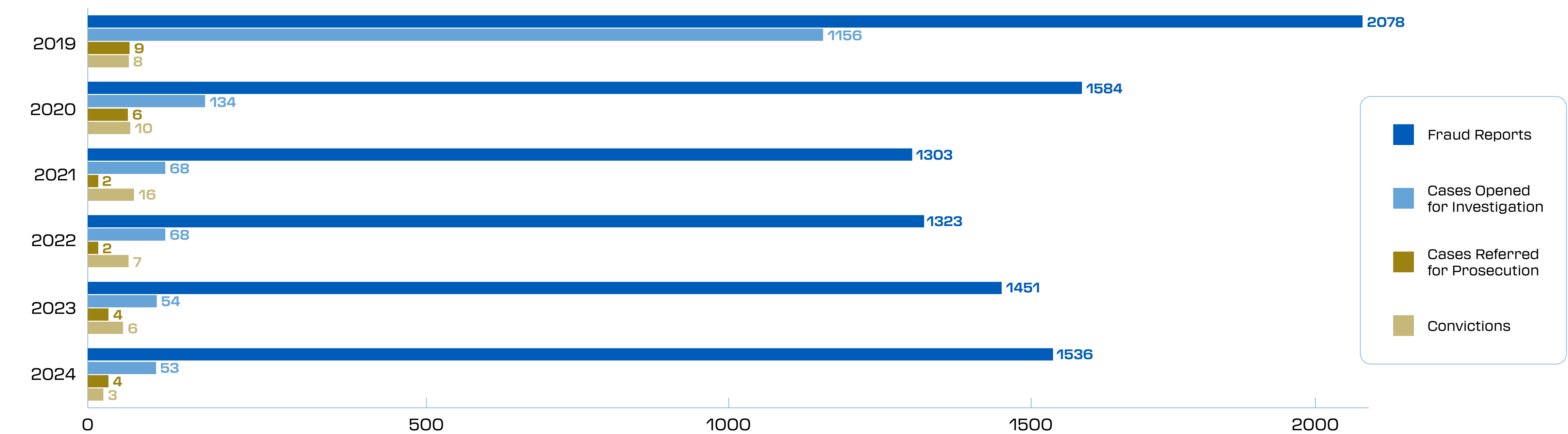


Enforcement & Compliance - Fraud

Fraud (fiscal year 2024)



Workers Compensation Fraud 2019-2024

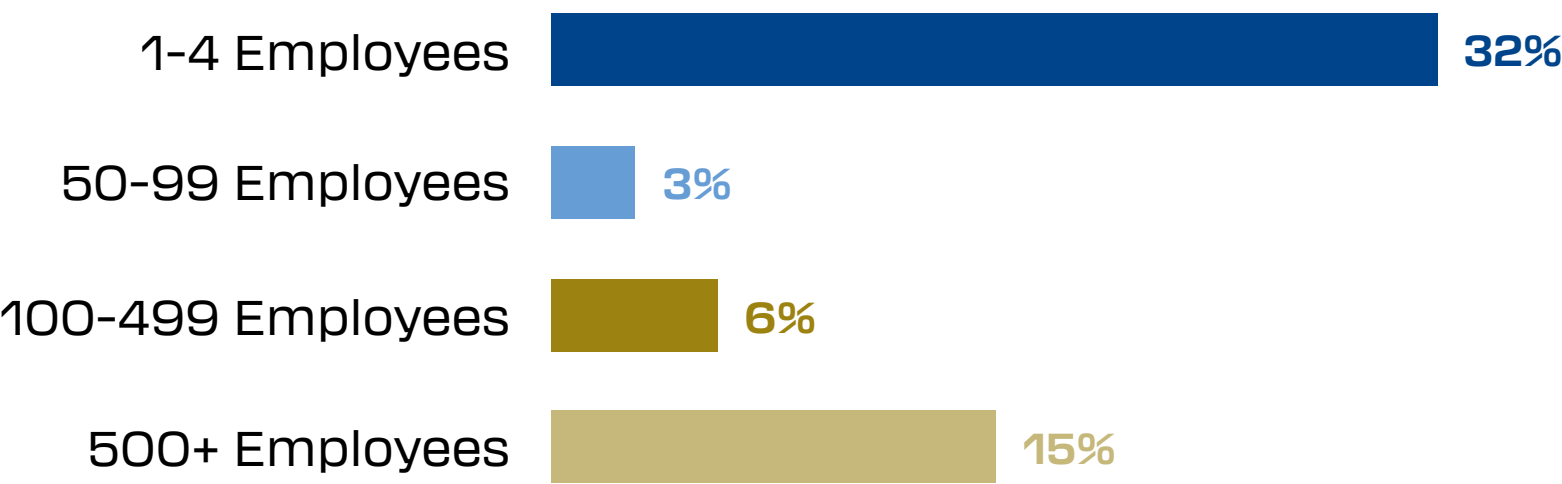


Subscriber Issues

In 2024, **76%** of Texas employers were subscribers to the workers' compensation system, the highest share since 2016, **covering 87% of employees**. Non-subscriber rates fell to **24%** of employers and **13%** of employees, the lowest levels in a decade.

Non-Subscriber Key Takeaways Based on Employer Size

- **Small employers (1-4 workers):** Still the least likely to subscribe, with 32% non-subscribers in 2024.
- **Mid-sized employers (50-499 workers):** Sharp declines since 1995—down to 3% for 50-99 employees and 6% for 100-499 employees.
- **Large employers (500+ workers):** Rates have been steadier over time but still fell to 15% in 2024.



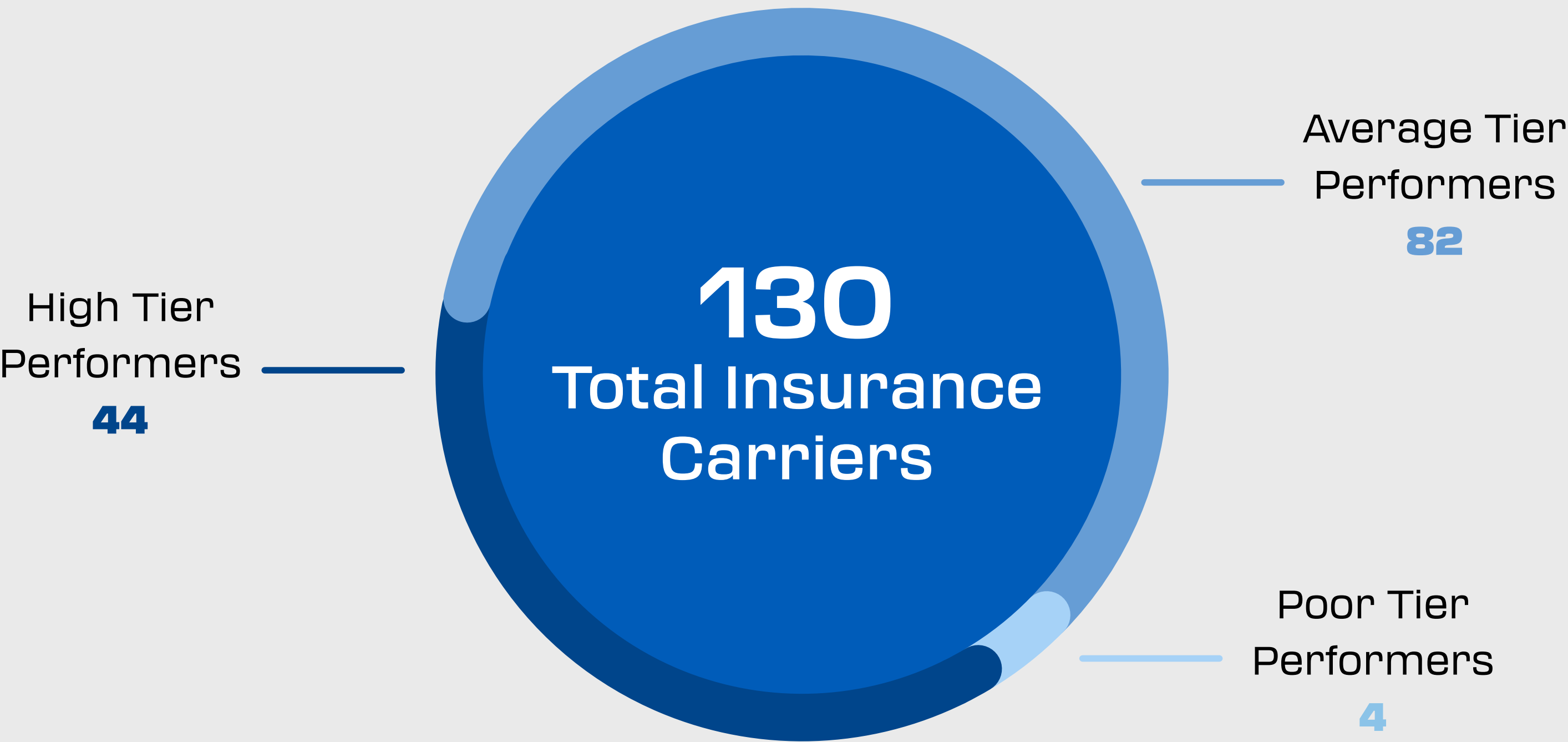
Performance Based Oversight (PBO) Assessments

Insurance carriers are assessed in even-numbered years, while health care providers are assessed in odd-numbered years.

The 2024 carrier assessment evaluated 130 insurance carriers on five measures: timely payment of initial temporary income benefits (50%), timely processing of initial medical bills (30%), timely processing of medical bill reconsiderations (10%), timely reporting of medical data (10%), and the timely reporting of initial payment data to DWC via Texas Claim EDI Release 3.1.4 (not factored into tier placement).

Key Takeaways

- **High Tier performers** rose slightly from 41 in 2022 to 44 in 2024.
- **Average Tier performers** remained steady at 82, reflecting consistent performance across most carriers.
- **Poor Tier performers** dropped sharply from 13 to just 4, showing significant progress in reducing low-performing carriers.



2025 Health Care Provider PBO Assessment Plan

DWC's 2025 health care provider PBO assessments review compliance in two areas: timely and complete filing of DWC Form-69 by designated doctors and DWC Form-73 by MDs, DOs, DCs, APRNs, and PAs.

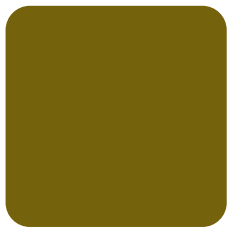
DWC Form-069
Report of Medical Evaluation

- Was the form timely or untimely filed to DWC per Rule 130.1(d)(2)?

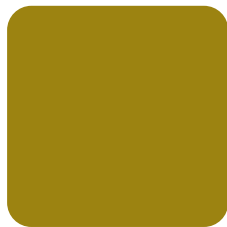
DWC Form-073
Work Status Report

- Is form complete or incomplete per Rule 129.5?
- Is the work status in Part II. Work Status Information of the DWC 73 supported?

Score and Tier Ratings



High Tier
≥ 95.00



Average Tier
80.00 - 94.99



Poor Tier
≤ 79.99



Audits

59 audits were completed by DWC's Audits and Investigations team in FY 2025.

2025 Compliance and Investigations Audit Plan

Goals for audit for fiscal year ending Aug. 31, 2025:

- Timely and accurate benefit delivery
- Timely medical reimbursement
- Timely and accurate reporting of electronic data to DWC

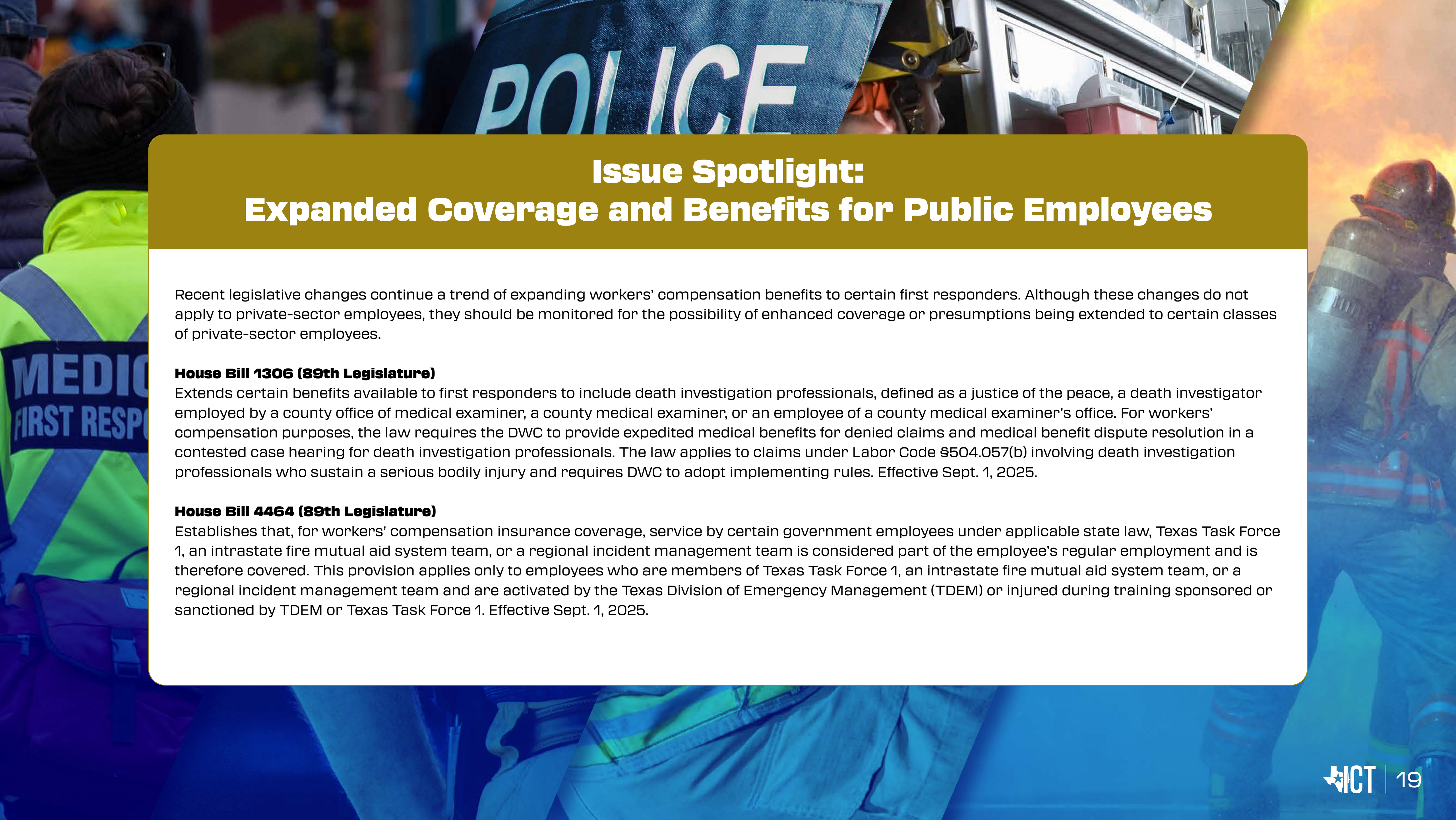
Audit Scope & Methodology

- **Accuracy of Lifetime Income/Death Benefit Payments and Claims Data** – DWC will draw sample data from claims for injuries that occurred between Sept. 1, 2017, and April 30, 2024.
- **Timely Processing of Medical Bills, Timely Reporting of Medical Bill Data, and Accuracy of Medical Bill Data** – DWC will draw sample data from billing lines submitted during either Sept. 1, 2024, through Nov. 30, 2024, or Dec. 1, 2024, through Feb. 28, 2025, depending on the date of audit initiation.
- **Timely Payment of Initial Temporary Income Benefits (TIB), Timely Reporting of Initial Payment Data, and Accuracy of Initial Payment Data** – DWC will draw sample data from claims in which an insurance carrier issued an initial TIB payment during either July 1, 2024, through Sept. 30, 2024, or Oct. 1, 2024, through Dec. 31, 2024, depending on the date of audit initiation.

DWC's Research and Evaluation Group (REG) 2025 Agenda

Research Projects for 2025

- **AMA Guides Study** - Evaluate the feasibility and impact of adopting the updated AMA Guides to the Evaluation of Permanent Impairment (2024 musculoskeletal revisions), with assistance from the Medical Quality Review Panel.
- **Medical Costs and Utilization** - Update the analysis of medical costs and utilization in the Texas workers' compensation system.
- **Designated Doctors and Scheduling Companies** - Assess performance using metrics such as rescheduled exams, timeliness of reports, and timeliness of payments.



Issue Spotlight: Expanded Coverage and Benefits for Public Employees

Recent legislative changes continue a trend of expanding workers' compensation benefits to certain first responders. Although these changes do not apply to private-sector employees, they should be monitored for the possibility of enhanced coverage or presumptions being extended to certain classes of private-sector employees.

House Bill 1306 (89th Legislature)

Extends certain benefits available to first responders to include death investigation professionals, defined as a justice of the peace, a death investigator employed by a county office of medical examiner, a county medical examiner, or an employee of a county medical examiner's office. For workers' compensation purposes, the law requires the DWC to provide expedited medical benefits for denied claims and medical benefit dispute resolution in a contested case hearing for death investigation professionals. The law applies to claims under Labor Code §504.057(b) involving death investigation professionals who sustain a serious bodily injury and requires DWC to adopt implementing rules. Effective Sept. 1, 2025.

House Bill 4464 (89th Legislature)

Establishes that, for workers' compensation insurance coverage, service by certain government employees under applicable state law, Texas Task Force 1, an intrastate fire mutual aid system team, or a regional incident management team is considered part of the employee's regular employment and is therefore covered. This provision applies only to employees who are members of Texas Task Force 1, an intrastate fire mutual aid system team, or a regional incident management team and are activated by the Texas Division of Emergency Management (TDEM) or injured during training sponsored or sanctioned by TDEM or Texas Task Force 1. Effective Sept. 1, 2025.

Legal & Litigation

In a series of cases, Texas courts addressed the scope of the TDI-DWC exclusive jurisdiction in workers' compensation claims.

Exclusive Remedy Is Not Synonymous With Exclusive Jurisdiction

Univ. of Tex. Rio Grande Valley v. Oteka, __ S.W.3d __, 2025 Tex. LEXIS 488 (June 13, 2025).

The Texas Supreme Court held that the exclusive remedy provision is not synonymous with exclusive jurisdiction. The court noted that the TDI-DWC has exclusive jurisdiction over all claims for workers' compensation benefits, including entitlement determinations. However, the agency does not have exclusive jurisdiction in all cases to determine whether an injury or death occurred in the course and scope of employment.

In this case, a plaintiff who was not seeking workers' compensation benefits could pursue a negligence claim in court for damages not based on workers' compensation entitlement. The court retains jurisdiction to decide course and scope issues and, therefore, to determine whether the exclusive remedy applies. As a result, the exclusive remedy defense does not require exhaustion of administrative remedies or a TDI-DWC administrative decision before filing suit.

Circumventing the TDI-DWC's Exclusive Jurisdiction

In re Tex. Mut. Ins. Co., __ S.W.3d __, 2025 Tex. App. LEXIS 1155 (Tex. App.—San Antonio Feb. 26, 2025, no pet. h.).

An injured worker who accepts workers' compensation medical and income benefits cannot later circumvent the TDI-DWC's exclusive jurisdiction to determine whether the injury occurred in the course and scope of employment without first exhausting administrative remedies. In this case, the worker sought to sue the insurer for conspiracy to pay workers' compensation benefits and for allegedly depriving him of more favorable liability claims.

The Texas Supreme Court denied a petition for review challenging the TDI-DWC's interpretation of a benefits statute.

Legal & Litigation

Judicial Review of Agency Rules and Authority

Tex. Dep’t of Ins. v. Accident Fund Ins. Co. of Am., 2023 Tex. App. LEXIS 1291 (Tex. App.—Austin Feb. 28, 2023), pet. denied, **Accident Fund Ins. Co. of Am. v. Tex. Dep’t of Ins.**, __ S.W.3d __, 2025 Tex. LEXIS 117 (Feb. 7, 2025).

This case involved statutory interpretation of TDI-DWC rules governing eligibility criteria for supplemental income benefits, specifically what constitutes “job applications.” The insurer challenged the agency’s rules, arguing inconsistencies between statutory language and regulations. The petition for review was denied, as “theoretical challenges” were deemed insufficient to sustain a facial challenge to the rule.

Texas Legislature

The 89th Texas Legislature adjourned sine die on June 2, 2025.

Total Number of bills filed

8,719

up 8.4% from the last session
when there were 8,046

ICT Number of Bills Tracked

608

up from 500

Number of ICT Tracked
Bills Identified as Priority

123

up from 88 last session,
40% increase

ICT Tracked 59 Workers Compensation related bills, compared to 60 last session

Key Takeaways

- **Workers' Compensation Bills Tracked** – ICT monitored 59 workers' compensation- related bills, nearly the same as the previous session (60). Fifteen of the tracked bills were sent to the governor.
- **Key Workers' Compensation Issues This Session** – First responders and public safety roles received heightened legislative focus, with expanded presumptions, supplemental benefits, and clarified coverage for high-risk duties. Multiple bills were filed during the 89th Legislature to expand exceptions to the workers' compensation exclusive remedy, but none passed.

Key Workers' Compensation Related Bills that Passed in the 89th Texas Legislature

Remote Contested Case Hearings (HB 2488)

Authorizes the Texas Division of Workers' Compensation (DWC) to conduct contested case hearings remotely by videoconference with party consent or a good-cause determination. Effective June 20, 2025.

Reporting Nonrenewals, Cancellations, and Declinations (HB 2067)

Requires insurers to report reasons for nonrenewals, cancellations, and declinations to TDI, with protections for proprietary information. Effective Jan. 1, 2026.

On-Site Audit Requirements for TPAs (SB 1151)

Removes the requirement for on-site audits of third-party administrators under workers' compensation law. Effective Sept. 1, 2025.

Elimination of Group Self-Insurance Programs (SB 264)

Prohibits new group self-insurance programs after Sept. 1, 2025, and dissolves the Texas Self-Insurance Group Guaranty Fund. Effective Sept. 1, 2025.

Funding Mechanism for Workers' Compensation Regulation (SB 1455)

Replaces the maintenance tax with a surcharge on carriers and self-insureds, with collections overseen by the comptroller. Carriers may recover costs through rates or direct charges. Effective Sept. 1, 2025.

Regulatory Activities

Rule Adoptions

DWC Adopts Amendments to Designated Doctor Procedures and Lifetime Income Benefits (HB 2468)

DWC adopted amendments to rules on Designated Doctor (DD) procedures and Lifetime Income Benefits (LIBs) to implement HB 2468 from the 88th Legislature. The rule clarifies when DD exam requests may be denied, outlines suspension and reinstatement procedures for missed exams, and establishes new requirements and processes for first responders eligible for LIBs under Labor Code §408.1615. The adopted rule also updates and creates forms to support implementation. The rule amendments were to 28 TAC 127.1 and 127.25; and 28 TAC 131.1-131.4 and 131.10-131.14. Effective Nov. 21, 2024.

DWC Adopts Pharmaceutical Benefits Rule

DWC adopted updates to 28 TAC Chapter 134, Subchapter F, which governs pharmaceutical benefits in workers' compensation. The changes repeal outdated provisions, align language with current rules, and remove transition provisions no longer needed for the workers' compensation closed formulary system. While most amendments were adopted as proposed, DWC reverted to existing text in certain sections following stakeholder feedback to avoid unintended consequences. Effective Nov. 29, 2024.

DWC Adopts Amendments to Telemedicine Rule (28 TAC §133.30)

DWC adopted amendments to 28 TAC §133.30 to allow treating doctors to certify maximum medical improvement (MMI) by telemedicine or telehealth in cases with no impairment. The rule clarifies billing requirements under §134.250 and excludes impairment rating examinations from the telemedicine definition. The rule was adopted with revisions to the effective date. Effective June 1, 2025.



Regulatory Activities



Rule Adoptions

DWC Adopts New Rule on SIF Verification of Lifetime Income Benefits

DWC adopted new 28 TAC §131.5, requiring verification of LIBs recipient information before the Subsequent Injury Fund (SIF) issues payments, intended to prevent waste of public funds by ensuring notification of an employee's death prior to payment. The rule clarifies terminology, requires pending payments to be held if verification cannot be provided. Effective Feb. 18, 2025.

DWC Adopts Amendments to Pharmaceutical Benefits Rules

DWC adopted amendments reorganizing 28 TAC Chapter 134, Subchapter F on pharmaceutical benefits, repealing outdated sections and updating provisions to align with current statutes and plain-language standards. The changes remove obsolete transition rules tied to the shift to a closed formulary system and include editorial updates for clarity. Some proposed changes were withdrawn in response to comments to avoid unintended consequences. Effective Nov. 29, 2024.



Regulatory Activities

NCCI Adoptions

Item E-1411 - Reorganizes NCCI's Experience Rating Plan Manual for Workers' Compensation and Employers Liability Insurance

TDI adopted NCCI Item E-1411, which reorganizes NCCI's Experience Rating Plan Manual for Workers' Compensation and Employers Liability Insurance into a Texas-specific manual. Changes apply to new and renewal policies effective July 1, 2025.

Item 01-TX-2024 - Revisions to NCCI's Basic Manual for Texas for Classifications and Table of Classifications by Hazard Group

TDI adopted NCCI Item 01-TX-2024, which revises NCCI's Basic Manual for Texas for Classifications and Table of Classifications by Hazard Group. The amendments align certain Texas workers' compensation classifications and phraseologies with multistate standards and revise rules for non-F-class operations subject to the U.S. Longshore and Harbor Workers' Compensation Act. Changes apply to new and renewal policies effective July 1, 2025.



Insurance Council of
TEXAS

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