



Draft Administrative Rules (Chapter 253)

**July 2025**

## **CHAPTER 253: ENTERPRISE RISK MANAGEMENT**

### **Subchapter A: Agency Risk Management Programs**

#### **§253.101. Definitions**

- (a) The following words and terms, when used in this Chapter, shall have the following meanings, unless the context clearly indicates otherwise:
  - (1) Annual Report – required data that state agencies must report to the Office pursuant to Texas Labor Code Section 412.053.
  - (2) Consultation Visit – an in-person or virtual meeting between an Office risk management specialist and a specific participant in Office risk management programs that promotes the identification and assessment of specific risk exposures and suggests/explores risk prevention and control measures or techniques that may be implemented by the covered entity to prevent, reduce, or correct specific risk exposures.
  - (3) Covered entity – a Texas state agency or institution of higher education that has contracted with, or is a statutory participant in, the Office’s risk management programs.
  - (4) Exposure or risk exposure – a situation, practice, or condition that might lead to a loss or have an effect on mission objectives.
  - (5) Loss – the basis for a claim under the terms of an insurance policy or the loss of assets resulting from an insurable risk, as defined by the Office.
  - (6) Incident – an event where an injury or loss could have occurred but did not.
  - (7) Risk management - the process of planning, organizing, leading, staffing, and controlling an organization’s resources to minimize the possibility of loss or injury from various causes of loss.
  - (8) Risk Management Program – activities performed by the risk manager or risk management specialist, workers’ compensation claims coordinator, safety officer, additional duty safety officer, and any assigned support personnel who further the cause of protecting the agency from loss.
  - (9) Risk Management Program Review – reviews conducted under the authority of Texas Labor Code Chapter 412 to assist state agencies with the development and

implementation of comprehensive risk management programs that meet Texas Enterprise Risk Management (TERM) Guidelines.

**§253.102. Program Requirements**

- (a) The goal of the Office's risk management and claims administration program is to manage costs for covered state entities arising from the risk of loss through the delivery of professional risk management and claims administration services that are customized to specific needs.
- (b) The Office provides guidance and direction to state entities to assist them in identifying, evaluating and controlling risk, and minimizing the adverse impact of workers' compensation, property, and other losses.
- (c) Each covered entity shall actively manage its risks by developing, implementing, and maintaining a formal risk management program. Each covered entity's risk management program shall address all of the covered entity's risk exposures by:
  - (1) complying with the Texas Enterprise Risk Management (TERM) Guidelines published by the Office; and/or
  - (2) complying with another set of appropriate nationally recognized standards, such as Occupational Safety and Health Administration (OSHA) standards.
- (d) Each covered entity's risk management program is subject to review and evaluated against the Office's risk management guidelines.
- (e) The Office shall assist any covered entity that has not adopted a risk management program in implementing a program that meets guidelines recognized by the Office.

**§253.103. Primary Risk Managers**

- (a) Each covered entity shall designate an employee as its Primary Risk Manager and shall notify the Office by completing and submitting a Designation of Agency Primary Risk Manager Form.
- (b) When any incident occurs, an agency's Primary Risk Manager shall complete an Incident/Accident Investigation Form. If the incident resulted in a workers' compensation claim, the Primary Risk Manager shall submit the completed Incident/Accident Investigation Form to the Office not later

than the seventh calendar day after the submittal of the relevant DWC Form-001S.

**§253.104. Annual Report by State Agencies**

- (a) Not later than October 30 of each year, each covered entity shall file with the Office:
  - (1) an Annual Report containing data regarding each agency's risk management expenditures, insurance expenditures, claims and judgments, incurred losses, and other expenditure data required by law in the preceding fiscal year.
  - (2) a list of any loss exposures unique to the agency that are not covered by the Annual Report.
- (b) The Office shall provide detailed instructions on submission of the Annual Report on its website.

**§253.105. Loss Reporting**

- (a) Covered entities are encouraged to report losses, other than workers' compensation, to the Office as they occur, even if the loss is not covered by insurance.
- (b) Covered entities shall, upon request by the Office, provide the Office access to information concerning state property, liability, and workers' compensation losses necessary for the administration of the Office's programs.

**Subchapter B: Enterprise Risk Management Services**

**§253.201. Administration of Enterprise Risk Management Guidelines**

- (a) It is the intent of the Office that all enterprise risk management guidelines be administered in such a manner as not to create an unmanageable hardship on any covered entity. Compliance will be required in accordance with the ability of the covered entity to respond, considering the nature of the discrepancy and any budgetary limitations.

**§253.202. Consultation Visits and Enterprise Risk Management Program Reviews**

- (a) The Office shall periodically evaluate agency enterprise risk management programs by performing Consultation Visits and comprehensive Risk Management Program Reviews.
- (b) Consultation Visits and Risk Management Program Reviews are performed at the Office's discretion.

- (c) Covered entities may request Consultation Visits, Risk Management Program Reviews, and other Office risk management services through any of the following approved methods:
  - (1) via email to [enterpriserisk@sorm.texas.gov](mailto:enterpriserisk@sorm.texas.gov);
  - (2) via email to a risk management specialist designated by the Office;
  - (3) via secure online portal designated by the Office; or
  - (4) via telephone to the Director of Enterprise Risk.
- (d) Failure to submit a request through one of the approved methods outlined in Subsection (c) may delay or adversely impact the Office's ability to act upon the request.

**§253.203. Treatment of Exposure**

- (a) If an exposure or variance with risk management guidelines is identified, the Office will make appropriate risk management recommendations.

**§253.204. Report to Legislature**

- (a) Covered entities that do not comply with this Chapter may be identified as noncompliant in the Office's biennial report to the Legislature.