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Travis County District Attorney Rosemary Lehmborg today issued the following statement:

In recent weeks, news reports regarding the funding agreement between Texas Mutual Insurance Company (TMI) and the Travis County District Attorney's Office (TCDA) have raised questions regarding the propriety of the agreement.

The agreement between TMI and TCDA is expressly authorized by the Texas Insurance Code and is, therefore, a legal contract.

Nonetheless, understanding the perception questions that have been raised, my office is exploring how to continue our important work in the area of workers' compensation insurance fraud.

TMI and the TCDA have agreed to postpone the automatic annual renewal of the agreement that is scheduled for October 1st. Instead, TMI will pay the operating expenses of the Workers' Compensation Fraud unit through the end of the year, providing time to explore alternatives.

I intend to ask a group of public officials to work with me to evaluate funding options and work through the issues.

Texas Mutual is the insurer of last resort in Texas and has a statutory mandate to identify and investigate fraud. The long-standing agreement with TMI has ensured that the TCDA has adequate resources to prosecute fraud cases.

A copy of the letter agreement between TMI and the TCDA is included with this statement.

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