

AN ACT

relating to the liability insurance and security requirements for wood treaters and other persons engaged in the business of structural pest control.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Section 1951.312, Occupations Code, is amended to read as follows:

Sec. 1951.312. LIABILITY INSURANCE; EXCEPTIONS.

SECTION 2. Section 1951.312, Occupations Code, is amended by amending Subsections (a) and (b) and adding Subsection (e) to read as follows:

(a) The board may not issue or renew a structural pest control business license until the license applicant:

(1) files with the board a policy or contract of insurance, approved as sufficient by the board, in an amount not less than \$200,000 for bodily injury and property damage coverage, with a minimum total aggregate of \$300,000 for all occurrences, insuring the applicant against liability for damage to persons or property occurring as a result of operations performed in the course of the business of structural pest control on premises or any other property under the applicant's care, custody, or control; ~~[or]~~

(2) in the case of an applicant who has an unexpired and uncanceled insurance policy or contract on file with the board,

1 files with the board a certificate or other evidence from an  
2 insurance company stating that:

3 (A) the policy or contract insures the applicant  
4 against liability for acts and damage as described in Subdivision  
5 (1); and

6 (B) the amount of insurance coverage is in the  
7 amount approved by the board;

8 (3) files with the board a bond, certificate of  
9 deposit, or other proof acceptable to the board of sufficient funds  
10 in an amount not less than \$300,000 for payment of claims of damage  
11 to persons or property occurring as a result of operations  
12 performed negligently in the course of the business of structural  
13 pest control on premises or any other property under the  
14 applicant's care, custody, or control; or

15 (4) files with the board evidence satisfactory to the  
16 board of coverage under a general liability insurance policy, in an  
17 amount not less than \$200,000 for bodily injury and property damage  
18 coverage, with a minimum total aggregate of \$300,000 for all  
19 occurrences, if the applicant operates solely as a wood treater who  
20 treats wood on commercial property owned by the applicant.

21 (b) A structural pest control business license holder shall  
22 at all times maintain the insurance policy or contract or the  
23 security described by Subsection (a)(3) in the amount approved by  
24 the board. Failure to renew the policy or contract or maintain it  
25 or the security in the required amount is a ground for suspension or  
26 revocation of the license and a violation of this section.

27 (e) An applicant who files proof under Subsection (a)(3)

1 must designate a third party not affiliated with the applicant to  
2 handle the processing of damage claims regarding that security.

3 SECTION 3. Section 1951.312, Occupations Code, as amended  
4 by this Act, applies only to a license issued or renewed on or after  
5 the effective date of this Act.

6 SECTION 4. This Act takes effect September 1, 2003.

H.B. No. 1329

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President of the Senate

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Speaker of the House

I certify that H.B. No. 1329 was passed by the House on April 25, 2003, by a non-record vote.

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Chief Clerk of the House

I certify that H.B. No. 1329 was passed by the Senate on May 28, 2003, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor