

1-1 By: McReynolds (Senate Sponsor - Staples) H.B. No. 1329
1-2 (In the Senate - Received from the House April 28, 2003;
1-3 May 1, 2003, read first time and referred to Committee on Business
1-4 and Commerce; May 21, 2003, reported favorably by the following
1-5 vote: Yeas 8, Nays 0, 1 present not voting; May 21, 2003, sent to
1-6 printer.)

1-7 A BILL TO BE ENTITLED
1-8 AN ACT

1-9 relating to the liability insurance and security requirements for
1-10 wood treaters and other persons engaged in the business of
1-11 structural pest control.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. The heading to Section 1951.312, Occupations
1-14 Code, is amended to read as follows:

1-15 Sec. 1951.312. LIABILITY INSURANCE; EXCEPTIONS.

1-16 SECTION 2. Section 1951.312, Occupations Code, is amended
1-17 by amending Subsections (a) and (b) and adding Subsection (e) to
1-18 read as follows:

1-19 (a) The board may not issue or renew a structural pest
1-20 control business license until the license applicant:

1-21 (1) files with the board a policy or contract of
1-22 insurance, approved as sufficient by the board, in an amount not
1-23 less than \$200,000 for bodily injury and property damage coverage,
1-24 with a minimum total aggregate of \$300,000 for all occurrences,
1-25 insuring the applicant against liability for damage to persons or
1-26 property occurring as a result of operations performed in the
1-27 course of the business of structural pest control on premises or any
1-28 other property under the applicant's care, custody, or control;
1-29 [~~or~~]

1-30 (2) in the case of an applicant who has an unexpired
1-31 and uncanceled insurance policy or contract on file with the board,
1-32 files with the board a certificate or other evidence from an
1-33 insurance company stating that:

1-34 (A) the policy or contract insures the applicant
1-35 against liability for acts and damage as described in Subdivision
1-36 (1); and

1-37 (B) the amount of insurance coverage is in the
1-38 amount approved by the board;

1-39 (3) files with the board a bond, certificate of
1-40 deposit, or other proof acceptable to the board of sufficient funds
1-41 in an amount not less than \$300,000 for payment of claims of damage
1-42 to persons or property occurring as a result of operations
1-43 performed negligently in the course of the business of structural
1-44 pest control on premises or any other property under the
1-45 applicant's care, custody, or control; or

1-46 (4) files with the board evidence satisfactory to the
1-47 board of coverage under a general liability insurance policy, in an
1-48 amount not less than \$200,000 for bodily injury and property damage
1-49 coverage, with a minimum total aggregate of \$300,000 for all
1-50 occurrences, if the applicant operates solely as a wood treater who
1-51 treats wood on commercial property owned by the applicant.

1-52 (b) A structural pest control business license holder shall
1-53 at all times maintain the insurance policy or contract or the
1-54 security described by Subsection (a)(3) in the amount approved by
1-55 the board. Failure to renew the policy or contract or maintain it
1-56 or the security in the required amount is a ground for suspension or
1-57 revocation of the license and a violation of this section.

1-58 (e) An applicant who files proof under Subsection (a)(3)
1-59 must designate a third party not affiliated with the applicant to
1-60 handle the processing of damage claims regarding that security.

1-61 SECTION 3. Section 1951.312, Occupations Code, as amended
1-62 by this Act, applies only to a license issued or renewed on or after
1-63 the effective date of this Act.

1-64 SECTION 4. This Act takes effect September 1, 2003.

1-65 * * * * *