

By: Staples

S.B. No. 1844

A BILL TO BE ENTITLED

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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, if
17 the applicant operates solely as a wood treater.

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

24 (e) An applicant who files proof under Subsection (a)(3)
25 must designate a third party not affiliated with the applicant to
26 handle the processing of damage claims regarding that security.

27 SECTION 3. Section 1951.312, Occupations Code, as amended

1 by this Act, applies only to a license issued or renewed on or after
2 the effective date of this Act.

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