

## **BILL ANALYSIS**

C.S.H.B. 1132  
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Insurance  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Texas law requires that security services providers maintain liability insurance. However, in many cases the insurance is scarce or not available for purchase. CSHB 1132 allows for the creation of a joint underwriting association to make available liability insurance for security services contractors who provide security services to critical infrastructure as defined by the Government code.

The bill also updates the occupations code to reflect the changes made by Acts of the 78<sup>th</sup> Legislature that moved the duties of the Commission on Private Security to the Texas Department of Public Safety. CSHB 1132 removes redundant fingerprint requirements for peace officers that register with the Private Security Bureau of the Department of Public Safety. The bill also allows security officers to carry pepper spray if they have been trained in the use of the spray and changes the antiquated shotgun training requirement to handgun training.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Commissioner of Insurance in SECTION 1.01 (Subchapter E, Chapter 21, Article 21.49-21, sec. 7, sec. 8., sec. 10, sec. 11, sec.12, sec. 26 of the Insurance Code) of this bill.

### **ANALYSIS**

ARTICLE 1: Insurance Code changes:

SECTION 1.01. Subchapter E, Chapter 21, Insurance Code is amended by adding Article 21.49-21. Defines "Association", "board of directors", "critical infrastructure", "security services contractor", "homeland security activity". Establishes requirements for immunity from liability for the association. Provides that the Association is subject to chapters 251 and 253 and Articles 1.15 and 1.16 of the insurance code. Sec. (4) through Sec.(34) define the formation, duties and operations of the joint underwriting association under the insurance code. Requires the commissioner of insurance to appoint the board of directors by October 1, 2005 and sets terms for the initial board. Requires the commissioner to adopt a plan of operation by January 1, 2006 and sets out requirements for that process.

ARTICLE 2: Occupations Code Changes

Section 2.01. Section 1702.163 (a), Occupations Code is amended:

(a), (1),(2),(3), and (4), address changes made by actions of the 78<sup>th</sup> session moving the duties of the Commission on Private Security to the Private Security Bureau of the Department of Public Safety by changing "commission" to "board". Changes "shotgun" to "handgun". Exempts peace officers that register with the Private Security Bureau of the Department of Public Safety from fingerprint requirements and requires that agency that employs the officer to provide fingerprints on request. Requires the applicant to provide sufficient information to enable the board to obtain fingerprints.

ARTICLE 3. Penal Code Changes

SECTION 3.01 Section 46.05, Penal Code, is amended by amending Subsection (f) and adding Subsection (g). Allows security officers registered with the Private Security Bureau of the Department of Public Safety to carry pepper spray if they have been trained in the use of the spray. Defines security officer as defined in Section 1702.002, Occupations code.

Section 4.01: Effective date

**EFFECTIVE DATE**

September 1, 2005

**COMPARISON OF ORIGINAL TO SUBSTITUTE**

In SECTION 2.02 , the substitute does not contain the language regarding immunity for a law enforcement agency providing training that is in the original.

The substitute does not contain the language in SECTION 2.04 of the original regarding action for failure to pay for services.

The substitute does not contain the language in SECTIONS 3.02, 3.03 and Article 4 of the original. In the substitute, Article 4 provides the effective date contained in Article 5.01 of the original.