

## **BILL ANALYSIS**

H.B. 1804  
By: Hancock  
Licensing & Administrative Procedures  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Currently, a plumbing contractor files a certificate of insurance with the Texas State Board of Plumbing Examiners as proof that the plumbing contractor is insured under a commercial general liability insurance policy providing a certain amount of coverage for all claims for property damage or bodily injury. Current law requires the certificate of insurance to be written by a company licensed to do business in Texas. Such insurance coverage, however, is not always available from licensed insurance companies, especially for a newly licensed plumber. H.B. 1804 amends those provisions of law to provide the flexibility of securing the necessary insurance coverage and certificate of insurance from an eligible surplus lines insurer when such coverage is not available from an insurance company that is authorized to engage in the business of insurance in Texas.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1804 amends the Occupations Code to specify, in the requirement that a political subdivision that requires a plumbing contractor to obtain a permit before performing plumbing in the political subdivision verify that the plumbing contractor has a certificate of insurance on file with the Texas State Board of Plumbing Examiners, that the certificate, in addition to meeting other requirements, must be written by an insurer authorized to engage in the business of insurance in Texas or by an eligible surplus lines insurer, rather than by a company licensed to do business in Texas.

### **EFFECTIVE DATE**

September 1, 2011.