

1-1 By: Thompson (Senate Sponsor - Van de Putte) H.B. No. 2093
1-2 (In the Senate - Received from the House May 16, 2011;
1-3 May 16, 2011, read first time and referred to Committee on State
1-4 Affairs; May 19, 2011, reported favorably by the following vote:
1-5 Yeas 8, Nays 0; May 19, 2011, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the operation and regulation of certain consolidated
1-9 insurance programs.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Title 2, Insurance Code, is amended by adding
1-12 Subtitle C to read as follows:

1-13 SUBTITLE C. PROGRAMS AFFECTING MULTIPLE LINES OF INSURANCE

1-14 CHAPTER 151. CONSOLIDATED INSURANCE PROGRAMS

1-15 SUBCHAPTER A. GENERAL PROVISIONS

1-16 Sec. 151.001. DEFINITIONS. In this chapter:

1-17 (1) "Consolidated insurance program" means a program
1-18 under which a principal provides general liability insurance
1-19 coverage, workers' compensation insurance coverage, or both that
1-20 are incorporated into an insurance program for a single
1-21 construction project or multiple construction projects.

1-22 (2) "Construction project" means construction,
1-23 remodeling, maintenance, or repair of improvements to real
1-24 property. The term includes the immediate construction location
1-25 and areas incidental and necessary to the work as defined in the
1-26 construction contract documents. A construction project under this
1-27 chapter does not include a single-family home, duplex, triplex, or
1-28 quadruplex.

1-29 (3) "Contractor" means any person who has entered into
1-30 a construction contract or a professional services contract and is
1-31 enrolled in the consolidated insurance program.

1-32 (4) "Insurer" means an insurance company, including a
1-33 mutual insurance company or a capital stock company, a reciprocal
1-34 or interinsurance exchange, a Lloyd's plan, or another legal entity
1-35 authorized to engage in the business of general liability insurance
1-36 or workers' compensation insurance in this state. The term
1-37 includes an eligible surplus lines insurer.

1-38 (5) "Principal" means the person who procures the
1-39 insurance policy under a consolidated insurance program.

1-40 Sec. 151.002. RULES. The commissioner shall adopt rules as
1-41 necessary to implement and enforce this chapter.

1-42 [Sections 151.003-151.050 reserved for expansion]

1-43 SUBCHAPTER B. GENERAL REQUIREMENTS

1-44 Sec. 151.051. DURATION OF GENERAL LIABILITY COVERAGE. A
1-45 consolidated insurance program that provides general liability
1-46 insurance coverage must provide completed operations insurance
1-47 coverage for a policy period of not less than three years.

1-48 [Sections 151.052-151.100 reserved for expansion]

1-49 SUBCHAPTER C. NONWAIVER

1-50 Sec. 151.101. NONWAIVER. A provision of this chapter may
1-51 not be waived by contract or otherwise.

1-52 SECTION 2. Chapter 151, Insurance Code, as added by this
1-53 Act, applies only to a new or renewed consolidated insurance
1-54 program for a construction project that begins on or after January
1-55 1, 2012. A consolidated insurance program for a construction
1-56 project that begins before January 1, 2012, is governed by the law
1-57 as it existed immediately before the effective date of this Act, and
1-58 that law is continued in effect for that purpose.

1-59 SECTION 3. This Act takes effect September 1, 2011.

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