

By: Burton

S.B. No. 501

A BILL TO BE ENTITLED

AN ACT

relating to availability of professional liability insurance under a self-insurance trust for health care.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. The heading to Section 2212.054, Insurance Code, is amended to read as follows:

Sec. 2212.054. POWERS AND DUTIES OF TRUST.

SECTION 2. Section 2212.054(a), Insurance Code, is amended to read as follows:

(a) A trust may:

(1) purchase, on behalf of the members of the association that created the trust or other persons who are licensed to practice medicine or dentistry in this state, ~~[medical]~~ professional liability insurance, specific excess insurance, aggregate excess insurance, and reinsurance, as necessary in the opinion of the trustees;

(2) purchase required risk management services; and

(3) pay claims that arise under any deductible provisions.

SECTION 3. Section 2212.054, Insurance Code, is amended by adding Subsection (c) to read as follows:

(c) A trust may not make membership in the association that created the trust a condition of issuing a contract for professional liability insurance or other insurance to a person

1 licensed to practice medicine or dentistry in this state.

2 SECTION 4. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2015.