

By: Dutton

H.B. No. 1965

A BILL TO BE ENTITLED

AN ACT

relating to liability insurance for career schools and colleges.

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

SECTION 1. Subchapter C, Chapter 132, Education Code, is amended by adding Section 132.0552 to read as follows:

Sec. 132.0552. LIABILITY INSURANCE. (a) Notwithstanding Section 132.055, the commission may not approve the application of a career school or college for a certificate of approval or for the renewal of a certificate of approval unless the career school or college maintains a liability insurance policy:

(1) issued by an insurance company authorized to write liability insurance in this state or an eligible surplus lines insurer; and

(2) that will pay, on behalf of the career school or college, any amount the career school or college becomes obligated to pay as damages arising out of educational or other services provided by the career school or college.

(b) The commission shall adopt rules relating to:

(1) the minimum amount of insurance coverage required under this section, which may not be less than an aggregate limit of \$10 million per year;

(2) the method for filing proof of insurance and obtaining the commission's approval under this section; and

(3) verification by the commission of a career

1 school's or college's continued maintenance of the required
2 insurance coverage.

3 SECTION 2. Section 132.056(a), Education Code, is amended
4 to read as follows:

5 (a) The commission, on [~~upon~~] review of an application for a
6 certificate of approval [~~duly~~] submitted in accordance with Section
7 132.052 and meeting the requirements of Sections [~~Section~~] 132.055
8 and 132.0552, shall issue a certificate of approval to the
9 applicant career school or college. The certificate of approval
10 shall be in a form prescribed by the commission and shall state in a
11 clear and conspicuous manner at least the following information:

12 (1) date of issuance, effective date, and term of
13 approval; and

14 (2) correct name and address of the school or college.

15 SECTION 3. (a) The change in law made by this Act applies
16 only to an application for an original or renewal certificate of
17 approval that is submitted on or after the effective date of this
18 Act. An application for an original or renewal certificate of
19 approval that is submitted before the effective date of this Act is
20 governed by the law in effect on the date the application was
21 submitted, and the former law is continued in effect for that
22 purpose.

23 (b) As soon as practicable after the effective date of this
24 Act, the Texas Workforce Commission shall adopt the rules required
25 by Section 132.0552(b), Education Code, as added by this Act.

26 SECTION 4. This Act takes effect September 1, 2017.