

By: Ashby

H.B. No. 2563

Substitute the following for H.B. No. 2563:

By: Dean

C.S.H.B. No. 2563

A BILL TO BE ENTITLED

AN ACT

relating to establishment of the temporary certified and insured prescribed burn manager self-insurance pool; authorizing a fee.

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

SECTION 1. Subtitle G, Title 10, Insurance Code, is amended by adding Chapter 2155 to read as follows:

CHAPTER 2155. TEMPORARY CERTIFIED AND INSURED PRESCRIBED BURN
MANAGER SELF-INSURANCE POOL

Sec. 2155.001. DEFINITIONS. In this chapter:

(1) "CIPBM" means a person who is a certified and insured prescribed burn manager under Section 153.048, Natural Resources Code.

(2) "Fund" means the self-insurance fund established under Section 2155.006.

(3) "Program" means the CIPBM self-insurance program administered under this chapter.

(4) "Service" means the Texas A&M Forest Service.

Sec. 2155.002. CIPBM SELF-INSURANCE PROGRAM. (a) The service shall administer a CIPBM self-insurance program that:

(1) identifies and evaluates risks arising from prescribed burns conducted under Chapter 153, Natural Resources Code;

(2) maintains a loss-prevention and loss-control program to reduce risks arising from prescribed burns;

1 (3) consolidates and administers prescribed burn risk
2 management and self-insurance programs; and

3 (4) provides prescribed burn self-insurance coverage
4 in accordance with Section 2155.003.

5 (b) The service may employ staff to administer the program.

6 (c) The director of the service may adopt rules to implement
7 and administer the program.

8 Sec. 2155.003. SELF-INSURANCE POOL; COVERAGE. (a) The
9 program shall administer a self-insurance pool to provide general
10 liability coverage for CIPBMs who are residents of this state.

11 (b) The coverage must indemnify a participating CIPBM for
12 liability arising from a prescribed burn. The coverage limits
13 provided must be the minimum amounts required for purposes of
14 Section 153.082, Natural Resources Code.

15 (c) The self-insurance pool may not provide coverage for a
16 risk other than prescribed burning conducted by a participating
17 CIPBM. Prohibited coverage includes:

18 (1) workers' compensation;

19 (2) automobile liability; and

20 (3) errors and omissions or professional liability.

21 (d) Self-insurance coverage provided under this section may
22 be funded only from money available from the fund.

23 (e) The director of the service may recommend:

24 (1) requirements for participation in coverage under
25 this section; and

26 (2) equipment and safety standards for the prescribed
27 burns to be covered under this section.

1 Sec. 2155.004. PARTICIPATION IN SELF-INSURANCE POOL. (a)
2 To participate in coverage provided under Section 2155.003, a CIPBM
3 must submit a written request to the program in the form and manner
4 prescribed by the service.

5 (b) The director of the service shall approve the request
6 for participation if the CIPBM to be covered is certified under
7 Section 153.048, Natural Resources Code.

8 Sec. 2155.005. TRAINING REQUIREMENTS. (a) As a condition
9 for continuing participation in coverage provided under Section
10 2155.003, a participating CIPBM shall complete a wildfire
11 suppression course offered or sanctioned by the service that trains
12 the CIPBM on:

13 (1) proper coordination with this state or local fire
14 departments in the event that a prescribed burn escapes its
15 predetermined boundaries; and

16 (2) proper assistance in the suppression of a
17 naturally occurring wildfire.

18 (b) The service shall:

19 (1) develop the course described by Subsection (a) in
20 compliance with the minimum standards for prescribed burn manager
21 certification under Section 153.048, Natural Resources Code; and

22 (2) maintain records of a participating CIPBM's
23 completion of the course.

24 Sec. 2155.006. TEMPORARY CIPBM SELF-INSURANCE FUND. (a)
25 The fund is an account in a depository selected by the board of
26 regents of The Texas A&M University System in the manner provided by
27 Section 51.003, Education Code, for funds subject to the control of

institutions of higher education under Section 51.002, Education Code.

(b) The fund is composed of:

(1) an amount not to exceed \$25 million appropriated by the legislature;

(2) money collected under Section 2155.008; and

(3) interest accruing on money in the fund.

(c) Money in the fund may be spent only for:

(1) funding self-insurance under the program; or

(2) administering this chapter, including paying the salaries and expenses of staff for the program and the fund.

Sec. 2155.007. LIMITATION ON STATE'S LIABILITY. The state's liability for all losses covered by self-insurance provided under this chapter is limited to the assets of the fund, and the state is not otherwise liable for those losses.

Sec. 2155.008. SELF-INSURANCE FEE; COST-SHARING REQUIREMENTS. (a) The service may assess and collect a reasonable fee from participating CIPBMs to provide self-insurance coverage under this chapter. The service shall also establish reasonable cost-sharing requirements, including appropriate deductibles.

(b) In establishing the amount of the fee and the cost-sharing requirements, the service shall consider the amount that could be charged to the CIPBM for similar insurance coverage provided to that CIPBM in accordance with this code and ensure that a deductible is sufficiently high to:

(1) deter the use of the self-insurance coverage for minor losses; and

1 (2) ensure the self-insurance coverage is used only
2 for significant losses.

3 (c) The service shall adjust the amount of a premium for the
4 self-insurance coverage under this chapter by using the information
5 collected under Section 2155.009.

6 (d) Money collected under this section shall be deposited to
7 the credit of the fund.

8 Sec. 2155.009. PRESCRIBED BURN DATA COLLECTION. A
9 participating CIPBM shall report in the form and manner prescribed
10 by the service the following information for each prescribed burn
11 the CIPBM conducts:

12 (1) the amount of land burned in acres by county;

13 (2) the date of the burn; and

14 (3) whether the burn resulted in a financial loss or
15 wildfire response.

16 Sec. 2155.010. EXCESSIVE CLAIMS. If the service determines
17 that a participating CIPBM has made excessive claims under
18 self-insurance coverage under this chapter, the service may:

19 (1) terminate the CIPBM's participation in the
20 self-insurance pool under this chapter; or

21 (2) refer the CIPBM to the Prescribed Burning Board
22 for disciplinary action under Section 153.102, Natural Resources
23 Code, as if the CIPBM violated Chapter 153 of that code.

24 Sec. 2155.011. LEGAL REPRESENTATION. (a) The service may
25 employ an attorney to represent a CIPBM in a liability action for
26 which insurance coverage is provided under this chapter.

27 (b) The attorney general may not provide the services

1 described by Subsection (a).

2 Sec. 2155.012. EXPIRATION OF PROGRAM AND CHAPTER. The
3 program and this chapter expire September 1, 2040. On expiration of
4 the program, the remaining balance in the fund that is not needed to
5 pay claims is transferred to the statewide fire contingency account
6 established under Section 88.117, Education Code.

7 SECTION 2. This Act takes effect September 1, 2025.