

By: Ashby

H.B. No. 2563

A BILL TO BE ENTITLED

AN ACT

relating to establishment of the temporary 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 PRESCRIBED BURN MANAGER SELF-INSURANCE POOL

Sec. 2155.001. DEFINITIONS. In this chapter:

(1) "Fund" means the prescribed burn manager self-insurance fund established under Section 2155.006.

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

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

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

Sec. 2155.002. PRESCRIBED BURN MANAGER SELF-INSURANCE PROGRAM. (a) The service shall administer a prescribed burn manager 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;

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

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

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

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

Sec. 2155.003. SELF-INSURANCE POOL; COVERAGE. (a) The program shall administer a self-insurance pool to provide general liability coverage for prescribed burns a prescribed burn manager conducts.

(b) The coverage may indemnify a participating prescribed burn manager for liability arising from a prescribed burn conducted by the manager. The coverage limits provided must be the minimum amounts required for purposes of Section 153.082, Natural Resources Code, or a lesser amount determined necessary based on the liquidity of the fund after deducting the cost of administering this chapter.

(c) The self-insurance pool may not provide coverage for a risk other than a prescribed burn conducted by a participating prescribed burn manager. Prohibited coverage includes:

(1) workers' compensation;

(2) automobile liability; and

(3) errors and omissions or professional liability.

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

1 (e) The director of the service may establish:

2 (1) eligibility requirements for participation in
3 coverage under this section; and

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

6 Sec. 2155.004. PARTICIPATION IN SELF-INSURANCE POOL. (a)
7 To participate in coverage provided under Section 2155.003, a
8 prescribed burn manager must submit a written request to the
9 program in the form and manner prescribed by the service.

10 (b) The director of the service shall approve the request
11 for participation if each proposed prescribed burn to be covered
12 meets the eligibility requirements and equipment and safety
13 standards established under Section 2155.003(e).

14 Sec. 2155.005. TRAINING REQUIREMENTS. (a) As a condition
15 for continuing participation in coverage provided under Section
16 2155.003, a participating prescribed burn manager shall complete a
17 wildfire suppression course administered by the service that trains
18 the manager on:

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

22 (2) proper assistance in the suppression of a
23 naturally occurring wildfire.

24 (b) The service shall:

25 (1) develop the course described by Subsection (a) in
26 compliance with National Wildfire Coordinating Group standards;
27 and

1 (2) maintain records of a participating prescribed
2 burn manager's completion of the course.

3 Sec. 2155.006. PRESCRIBED BURN MANAGER SELF-INSURANCE
4 FUND. (a) The fund is an account in a depository selected by the
5 board of regents of The Texas A&M University System in the manner
6 provided by Section 51.003, Education Code, for funds subject to
7 the control of institutions of higher education under Section
8 51.002, Education Code.

9 (b) The fund is composed of:

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

12 (2) money collected under Section 2155.008; and

13 (3) interest accruing on money in the fund.

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

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

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

18 Sec. 2155.007. LIMITATION ON STATE'S LIABILITY. The
19 state's liability for a loss covered by self-insurance provided
20 under this chapter is limited to the assets of the fund, and the
21 state is not otherwise liable for that loss.

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

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

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

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

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

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

16 Sec. 2155.009. PRESCRIBED BURN DATA COLLECTION. A
17 participating prescribed burn manager shall report in the form and
18 manner prescribed by the service the following information for each
19 prescribed burn the manager conducts:

20 (1) the amount of land burned in acres;

21 (2) the date of the burn; and

22 (3) whether the burn resulted in a financial loss or
23 wildfire response.

24 Sec. 2155.010. EXCESSIVE CLAIMS. If the service determines
25 that a participating prescribed burn manager has made excessive
26 claims under self-insurance coverage under this chapter, the
27 service may:

1 (1) terminate the manager's participation in the
2 self-insurance pool under this chapter; and

3 (2) refer the manager to the Prescribed Burning Board
4 for disciplinary action under Section 153.102, Natural Resources
5 Code, as if the manager violated Chapter 153 of that code.

6 Sec. 2155.011. LEGAL REPRESENTATION. (a) The service may
7 employ an attorney to represent a prescribed burn manager in a
8 liability action for which insurance coverage is provided under
9 this chapter.

10 (b) The attorney general may not provide the services
11 described by Subsection (a).

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

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