

## **BILL ANALYSIS**

Senate Research Center

S.B. 1844  
By: Staples  
Business & Commerce  
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As Filed

### **DIGEST AND PURPOSE**

Currently, commercial pesticide professionals are required to carry general liability insurance with an additional endorsement to cover property under their care, custody, or control. Although these requirements are the same for wood treaters and those who apply pesticide, the business practices differ. Insurance companies are not willing to offer the additional coverage to wood treaters because they service their own products, in addition to others' products, leading to confusion regarding setting insurance rates. As proposed, S.B. 1844 provides alternative proofs of satisfactory coverage for wood treaters and other structural pest control professionals.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends the heading to Section 1951.312, Occupations Code, to read as follows:

Sec. 1951.312. LIABILITY INSURANCE; EXCEPTIONS.

SECTION 2. Amends Section 1951.312, Occupations Code, by amending Subsections (a) and (b), and adding Subsection (e), as follows:

(a) Adds to the list of prerequisites for obtaining a structural pest control business license, or a renewal thereof, filing with the Texas Structural Pest Control Board (TSPCB) acceptable proof of sufficient funds, not less than \$300,000, for payment of claims of damage to persons or property occurring as a result of operations performed negligently in the course of structural pest control on any property under the applicant's care or control, or filing satisfactory evidence, to TSPCB, of general liability insurance coverage, if the applicant operates solely as a wood treater.

(b) Makes conforming changes.

(c) Requires an applicant who files proof under Subsection (a)(3) to designate a third party, not affiliated with the applicant, to process damage claims regarding that security.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2003.