

BILL ANALYSIS

Senate Research Center
84R15421 KSD-D

H.B. 796
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The State Office of Risk Management (SORM) was established in 2001 to act as an insurance broker for state agencies. At that time, The University of Texas System, Texas A&M System, and Texas Tech University System were all left out of the program. Texas State University System has recently found that it can purchase insurance at a better value outside of the program.

H.B. 796 seeks to remove the Texas State University System and its component institutions from the purchase of certain lines of insurance from the State Office of Risk Management's Property Insurance Program.

H.B. 796 amends current law relating to the purchase of certain insurance coverage and the performance of related risk management services for the Texas State University System and the component institutions of that system.

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 Section 412.011, Labor Code, by amending Subsections (c) and (e) and adding Subsection (j), as follows:

(c) Requires the State Office of Risk Management (office) to:

(1) perform risk management for each state agency subject to this chapter, except to any extent limited by Subsection (j), rather than for each agency subject to Chapter 412 (State Office of Risk Management); and

(2) purchase insurance coverage under any line of insurance other than health or life insurance, including liability insurance authorized under Chapter 612 (Liability Insurance), Government Code, for a state agency subject to Chapter 501 (Workers' Compensation Insurance for State Employees, Including Employees Under the Direction or Control of the Board of Regents of Texas Tech University), except for:

(A) makes a nonsubstantive change;

(B) the Texas State University System or a component institution of that system, rather than under any line of insurance other than health or life insurance, including liability insurance authorized under Chapter 612, Government Code.

(e) Prohibits a state agency subject to Chapter 501, except for an institution subject to Section 501.022 (Employees of Component Institutions of Texas Tech University System) or the Texas State University System or a component institution of that system

from purchasing property, casualty, or liability insurance coverage without the approval of the risk management (board).

(j) Requires the Texas State University System or a component institution of that system to perform risk management services related to insurance coverage purchased by the system or institution without board approval.

SECTION 2. Effective date: upon passage or September 1, 2015.