

BILL ANALYSIS

C.S.H.B. 796
By: Geren
Higher Education
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties note that certain state entities are currently required to purchase lines of insurance through the State Office of Risk Management (SORM), although SORM may grant exceptions to that requirement if it does not provide a particular line of coverage and the exception is considered to be in the best interest of the state. The parties assert that the Texas State University System and its component institutions have participated in the SORM program for several years but that the university system has demonstrated insurance coverage can be obtained outside SORM with better coverage levels at a lower price. C.S.H.B. 796 seeks to remove the university system from the requirement to purchase insurance coverage under the SORM program.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 796 amends the Labor Code to require 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 component institution without approval of the risk management board.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 796 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 412.011, Labor Code, is amended by amending Subsections (c)

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 412.011, Labor Code, is amended by amending Subsections (c)

and (e) and adding Subsection (j) to read as follows:

(c) The office shall:

(1) perform risk management for each state agency subject to this chapter, except to any extent limited by Subsection (j) [Chapter 412]; and

(2) purchase insurance coverage under any line of insurance other than health or life insurance, including liability insurance authorized under Chapter 612, Government Code, for a state agency subject to Chapter 501, except for:

(A) an institution subject to Section 501.022; or

(B) a university system or component institution of a university system that has elected to purchase insurance coverage under Subsection (j)[, under any line of insurance other than health or life insurance, including liability insurance authorized under Chapter 612, Government Code].

(e) A state agency subject to Chapter 501, except for an institution subject to Section 501.022 or a university system or component institution of the university system that has elected to purchase insurance coverage under Subsection (j), may not purchase property, casualty, or liability insurance coverage without the approval of the board.

(j) The Texas State University System or a component institution of that system may purchase property, casualty, or liability insurance coverage without the approval of the board, provided that the system or institution, as applicable, notifies the office of the intended purchase in the manner and within the time prescribed under Section 412.051(b). The office may perform risk management services related to insurance coverage purchased without board approval under this subsection only on request of the purchasing university system or institution, as applicable.

SECTION 2. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2015.

and (e) and adding Subsection (j) to read as follows:

(c) The office shall:

(1) perform risk management for each state agency subject to this chapter, except to any extent limited by Subsection (j) [Chapter 412]; and

(2) purchase insurance coverage under any line of insurance other than health or life insurance, including liability insurance authorized under Chapter 612, Government Code, for a state agency subject to Chapter 501, except for:

(A) an institution subject to Section 501.022; or

(B) the Texas State University System or a component institution of that system

~~[, under any line of insurance other than health or life insurance, including liability insurance authorized under Chapter 612, Government Code].~~

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

may not purchase property, casualty, or liability insurance coverage without the approval of the board.

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

SECTION 2. Same as introduced version.