

CHAPTER 1002

H.B. No. 1114

AN ACT

relating to the requirement that a licensed child care facility have certain liability insurance coverage.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subchapter C, Chapter 42, Human Resources Code, is amended by adding Section 42.0491 to read as follows:

Ch. 1002, § 1

Sec. 42.0491. **LIABILITY INSURANCE REQUIRED.** (a) A license holder shall maintain liability insurance coverage in the amount of \$300,000 for each occurrence of negligence. An insurance policy or contract required under this section must cover injury to a child that occurs while the child is on the premises of the license holder or in the care of the license holder.

(b) A license holder shall file with the division a certificate or other evidence from an insurance company showing that the license holder has an unexpired and uncanceled insurance policy or contract that meets the requirements of this section.

(c) Should the license holder for financial reasons or for lack of availability of an underwriter willing to issue a policy be unable to secure the insurance required under Subsection (a) or should the policy limits be exhausted, the license holder shall notify the parent or a person standing in parental relationship to each child for whom the license holder provides care a written notice that the liability coverage is not provided and there will not be a ground for suspension or revocation of the license holder's license under this chapter. The license holder shall also notify the department that the coverage is not provided and provide the reason for same. In no case shall the inability to secure coverage serve to indemnify the license holder for damages due to negligence.

(d) The insurance policy or contract shall be maintained at all times in an amount as required by this section. Failure by a license holder to renew the policy or contract or to maintain the policy or contract in the required amount is a ground for suspension or revocation of the license holder's license under this chapter.

(e) This section does not apply to a group or registered day care home.

SECTION 2. This Act takes effect September 1, 1993, and applies only to an application for the issuance or renewal of a license by a child care facility filed on or after that date.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended.

Passed by the House on May 12, 1993, by a non-record vote; passed by the Senate on May 30, 1993, by a viva-voce vote.

Approved June 19, 1993.

Effective Sept. 1, 1993.