

By: Sherman, Sr.

H.B. No. 720

A BILL TO BE ENTITLED

AN ACT

relating to supplemental liability insurance for foster homes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle F, Title 10, Insurance Code, is amended by adding Chapter 2102 to read as follows:

CHAPTER 2102. SUPPLEMENTAL LIABILITY INSURANCE FOR FOSTER HOMES

Sec. 2102.001. DEFINITIONS. In this chapter:

(1) "Foster care" has the meaning assigned by Section 101.0133, Family Code.

(2) "Foster home" means a person licensed or certified under Chapter 42, Human Resources Code, to provide substitute care for a child placed in foster care.

(3) "Insurer" includes a Lloyd's plan and reciprocal or interinsurance exchange.

Sec. 2102.002. OFFER OF COVERAGE REQUIRED. An insurer may not deliver, issue for delivery, or renew in this state an insurance policy that insures a foster home for purposes of Section 42.049, Human Resources Code, unless the insurer offers the insured the opportunity to purchase supplemental foster care liability coverage that meets the requirements of this chapter.

Sec. 2102.003. COVERAGE REQUIREMENTS. Supplemental foster care liability coverage offered under Section 2102.002 must:

(1) pay, on behalf of the insured, amounts the insured becomes obligated to pay as damages arising from an act or omission of the insured in providing care to a child placed in foster care with the insured or an act or omission of a child placed in foster care with the insured, to the extent those damages are not covered by liability insurance maintained by the insured to meet the requirements of Section 42.049, Human Resources Code, or any other insurance maintained by the insured; and

(2) provide coverage of at least \$10,000 for each occurrence and an aggregate coverage limit of at least \$10,000 per year.

SECTION 2. The change in law made by this Act applies only to an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2022. A policy delivered, issued for delivery, or renewed before January 1, 2022, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2021.