

SUBJECT: Purchase of blanket insurance coverage for county employees and officials

COMMITTEE: County Affairs — favorable, without amendment

VOTE: 5 ayes — Ramsay, B. Brown, Chisum, Farabee, Swinford
0 nays
4 absent — G. Lewis, Hilderbran, Krusee, Salinas

WITNESSES: For — David Kester, Harris County
Against — None

BACKGROUND: Local Government Code, sec. 157, dealing with the requirement for liability insurance coverage for county officials or employees, does not authorize counties specifically to purchase blanket insurance coverage.

DIGEST: HB 2110 would authorize county commissioners to buy liability insurance from a government pool, self-insurance fund, or risk-retention group covering some or all of the county’s officers and employees. The commissioners court could cover all or part of the deductible required for a blanket policy through self-insurance.

The liability insurance would cover losses incurred while employees were performing official duties, including losses due to crime, theft, dishonesty, or omissions or errors of employees.

This bill would define “county officer or employee” to include county or precinct peace officers, district attorneys, or officers of special-purpose districts located in whole or in part in the county. The bill’s provisions would not supersede other statutory, common law, or constitutional provisions.

HB 2110 would take effect September 1, 1999.

SUPPORTERS SAY: HB 2110 would give counties much needed authorization to buy blanket insurance coverage. Currently, counties must cover certain officials and employees for errors, omissions, or theft of county funds. Insuring these

officials and employees as individuals is much more costly than insuring all individuals through one policy.

HB 2110 would enable counties to save money on insurance premiums, and they could apply the cost savings toward other departments or retain the savings. While some counties already may interpret the law as allowing them to buy blanket insurance, this bill would authorize it in clear and specific language.

This type of blanket coverage would remain optional under HB 2110, and counties that are content with the individual coverage they now have would not be required to change.

OPPONENTS SAY: Some counties already buy blanket insurance policies on the assumption that current law allows this. There is no need to enact a whole new section in statute to clarify something that counties already know is legal.

NOTES: The companion bill, SB 880 by Jackson, was scheduled for a public hearing by the Senate Intergovernmental Relations Committee on April 14.

During the 75th legislative session, a similar bill, HB 2670 by Bonnen and Flores, was placed on the General State Calendar in early May but did not reach the House floor.