

EDUCATION CODE

TITLE 3. HIGHER EDUCATION

SUBTITLE A. HIGHER EDUCATION IN GENERAL

CHAPTER 59. HEALTH CARE PROFESSIONAL MALPRACTICE COVERAGE FOR
CERTAIN INSTITUTIONS

SUBCHAPTER A. HEALTH CARE PROFESSIONAL LIABILITY

Sec. 59.01. DEFINITIONS. In this subchapter:

(1) "Health care professional staff members or students" means:

(A) physicians, dentists, veterinarians, podiatrists, physician assistants, nurses, pharmacists, and other health care providers who:

(i) are appointed to the faculty or employed by or volunteer for The University of Texas System, The Texas A&M University System, the Texas Tech University System, the Texas State University System, the University of Houston System, Stephen F. Austin State University, or the University of North Texas System; and

(ii) either:

(a) are appointed or employed on a full-time basis; or

(b) are appointed or volunteer on a part-time basis and who devote their total professional service to providing health services or provide services to patients by assignment from the department chairman; and

(B) interns, residents, fellows, medical students, dental students, veterinary students, students of osteopathic medicine, nursing students, pharmacy students, and students of any other health care profession that requires a license, certificate, or other authorization under Title 3, Occupations Code, participating in a patient-care program in The University of Texas System, The Texas A&M University System, the Texas Tech University System, the Texas State University System, the University of Houston System, Stephen F. Austin State University, or the University of North Texas System.

(2) "Health care liability claim" means a cause of action against a physician or health care professional for treatment, lack of treatment, or other claimed departure from accepted standards of medical care, health care, or veterinary care, or safety or professional or administrative services directly related to health care, which proximately results in injury to or death of a patient, whether the claim or cause of action sounds in tort or contract.

(3) "Board" means the board of regents of The University of Texas System, the board of regents of The Texas A&M University System, the board of regents of the Texas Tech University System, the board of regents of the Texas State University System, the board of regents of the University of Houston System, the board of regents of Stephen F. Austin State University, or the board of regents of the University of North Texas System.

(4) "Fund" means the health care professional liability fund.

(5) "Charitable care or services" means all care or services provided for free or at discounted amounts at or below actual costs based on the ability of the beneficiary to pay and specifically includes all care and services provided to beneficiaries covered by Medicare and Medicaid.

(6) "Medical and dental unit" has the meaning assigned by Section [61.003](#) of this code.

Added by Acts 1983, 68th Leg., p. 996, ch. 235, art. 2, Sec. 1(a), eff. Sept. 1, 1983. Amended by Acts 1985, 69th Leg., ch. 117, Sec. 3(a), eff. Sept. 1, 1985; Acts 1985, 69th Leg., ch. 854, Sec. 1, eff. Sept. 1, 1985; Acts 1987, 70th Leg., ch. 1070, Sec. 3, eff. May 15, 1988; Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989; Acts 1991, 72nd Leg., ch. 832, Sec. 1, eff. Sept. 1, 1991; Acts 1993, 73rd Leg., ch. 408, Sec. 7, eff. Aug. 30, 1993.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 65 (S.B. [120](#)), Sec. 8, eff. May 18, 2013.

Acts 2019, 86th Leg., R.S., Ch. 8 (H.B. [826](#)), Sec. 2, eff. May 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 225 (H.B. [1592](#)), Sec. 3, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 294 (H.B. [2867](#)), Sec. 3, eff. May 29, 2019.

Acts 2021, 87th Leg., R.S., Ch. 915 (H.B. [3607](#)), Sec. 5.022, eff. September 1, 2021.

Sec. 59.02. HEALTH CARE PROFESSIONAL LIABILITY FUND. (a) Each board may establish a separate self-insurance fund to pay any damages adjudged in a court of competent jurisdiction or a settlement of any health care liability claim against a health care professional staff member or student arising from the exercise of the member's or student's appointment, duties, or training with The University of Texas System, The Texas A&M University System, the Texas Tech University System, the Texas State University System, the University of Houston System, Stephen F. Austin State University, or the University of North Texas System.

(b) The boards may pay from the funds all expenses incurred in the investigation, settlement, defense, or payment of claims described above on behalf of the health care professional staff members or students.

(c) On the establishment of each fund, transfers to the fund shall be made in an amount and at such intervals as determined by the board. Each board may receive and accept any gifts or donations specified for the purposes of this subchapter and deposit those gifts or donations into the fund. Each board may invest money deposited in the fund, and any income received shall be retained in the fund. The money shall be deposited in any of the approved depository banks of The University of Texas System, The Texas A&M University System, the Texas Tech University System, the Texas State University System, the University of Houston System, Stephen F. Austin State University, or the University of North Texas System. All expenditures from the funds shall be paid pursuant to approval by the boards.

Added by Acts 1983, 68th Leg., p. 996, ch. 235, art. 2, Sec. 1(a), eff. Sept. 1, 1983. Amended by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989; Acts 1993, 73rd Leg., ch. 408, Sec. 8,

eff. Aug. 30, 1993.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 65 (S.B. [120](#)), Sec. 9, eff. May 18, 2013.

Acts 2019, 86th Leg., R.S., Ch. 8 (H.B. [826](#)), Sec. 3, eff. May 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 225 (H.B. [1592](#)), Sec. 4, eff. September 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 294 (H.B. [2867](#)), Sec. 4, eff. May 29, 2019.

Acts 2021, 87th Leg., R.S., Ch. 915 (H.B. [3607](#)), Sec. 5.023, eff. September 1, 2021.

Sec. 59.03. RULES. Each board may adopt rules for the establishment and administration of the fund and the negotiation, settlement, and payment of claims as necessary to carry out the purpose of this subchapter. Each board may establish by rule reasonable limits on the amount of claims to be paid from the fund or to be provided in purchased insurance.

Added by Acts 1983, 68th Leg., p. 996, ch. 235, art. 2, Sec. 1(a), eff. Sept. 1, 1983. Amended by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989.

Sec. 59.04. PURCHASE OF INSURANCE. Each board may purchase health care liability insurance from an insurance company authorized to engage in the business of insurance in this state as it considers necessary to carry out the purpose of this subchapter.

Added by Acts 1983, 68th Leg., p. 996, ch. 235, art. 2, Sec. 1(a), eff. Sept. 1, 1983. Amended by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 225 (H.B. [1592](#)), Sec. 4, eff. September 1, 2019.

Sec. 59.05. LEGAL COUNSEL. Each board may employ private legal counsel to represent the health care professional staff members or students covered by this subchapter under the rules of

the board.

Added by Acts 1983, 68th Leg., p. 996, ch. 235, art. 2, Sec. 1(a), eff. Sept. 1, 1983. Amended by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 225 (H.B. [1592](#)), Sec. 4, eff. September 1, 2019.

Sec. 59.06. LIMITATION ON APPROPRIATED FUNDS. Funds appropriated by the legislature to The University of Texas System, The Texas A&M University System, the Texas Tech University System, the Texas State University System, the University of Houston System, or the University of North Texas System from the General Revenue Fund may not be used to establish or maintain the fund, to purchase insurance, or to employ private legal counsel.

Added by Acts 1983, 68th Leg., p. 996, ch. 235, art. 2, Sec. 1(a), eff. Sept. 1, 1983. Amended by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989; Acts 1993, 73rd Leg., ch. 408, Sec. 9, eff. Aug. 30, 1993.

Amended by:

Acts 2013, 83rd Leg., R.S., Ch. 65 (S.B. [120](#)), Sec. 10, eff. May 18, 2013.

Acts 2019, 86th Leg., R.S., Ch. 8 (H.B. [826](#)), Sec. 4, eff. May 1, 2019.

Acts 2019, 86th Leg., R.S., Ch. 225 (H.B. [1592](#)), Sec. 4, eff. September 1, 2019.

Reenacted and amended by Acts 2021, 87th Leg., R.S., Ch. 915 (H.B. [3607](#)), Sec. 5.024, eff. September 1, 2021.

Amended by:

Acts 2023, 88th Leg., R.S., Ch. 6 (S.B. [1055](#)), Sec. 4, eff. May 10, 2023.

Sec. 59.07. EXEMPTION FROM INSURANCE CODE; REPORT. The establishment and administration of each fund under this subchapter and the rules of the boards do not constitute the business of insurance as defined and regulated in the Insurance Code. However, the boards of regents shall annually report to the State Board of

Insurance information appropriate for carrying out the functions of the State Board of Insurance.

Added by Acts 1983, 68th Leg., p. 996, ch. 235, art. 2, Sec. 1(a), eff. Sept. 1, 1983. Amended by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989.

Sec. 59.08. STATE INDEMNIFICATION. (a) The state shall indemnify a health care professional staff member or student for damages paid as required by a judgment on or settlement of a health care liability claim arising out of the provision of charitable care or services.

(b) State liability for indemnification under this section may not exceed:

(1) \$100,000 for each defendant for each occurrence; and

(2) \$250,000 for each occurrence for all defendants.

(c) The state is not liable for indemnity under this section for damages found by the trier of fact to result from fraud, malice, or gross negligence.

(d) The state may not charge or assess a board, a medical and dental unit, or any fund or account of a board or medical and dental unit for any amount of indemnification paid or to be paid by the state under this section.

(e) The attorney general is entitled to approve any settlement of the portion of a health care liability claim that may result in the state being liable for indemnification of the defendant under this section. If the attorney general does not approve a settlement, the state is not liable for indemnification of the defendant under this section. The attorney general shall base the determination on the best interests of the defendant.

(f) This section prevails over any other law, including Chapter 104, Civil Practice and Remedies Code, to the extent of any conflict.

Added by Acts 1991, 72nd Leg., ch. 832, Sec. 2, eff. Sept. 1, 1991.

Amended by:

Acts 2019, 86th Leg., R.S., Ch. 225 (H.B. 1592), Sec. 5, eff. September 1, 2019.

SUBCHAPTER B. VETERINARY MALPRACTICE COVERAGE PURCHASED BY TEXAS

A&M

Sec. 59.21. DEFINITIONS. In this subchapter:

(1) "Board" means the board of regents of The Texas A&M University System.

(2) "Fund" means the veterinary medical diagnostic professional liability fund.

(3) "Professional staff" means veterinarians, diagnosticians, toxicologists, pathologists, microbiologists, and other professional employees employed by the Texas Veterinary Medical Diagnostic Laboratory, including the director.

(4) "Veterinary malpractice claim" means a cause of action for damages resulting proximately from negligence in performing diagnostic services, toxicological and other diagnostic analyses, and in making recommendations for treatment.

Added by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989.

Sec. 59.22. VETERINARY MEDICAL DIAGNOSTIC PROFESSIONAL LIABILITY FUND. (a) The board may establish a separate self-insurance fund to pay any damages adjudged in a court of competent jurisdiction or a settlement of any veterinary malpractice claim against a member of the professional staff arising from the exercise of his appointment or duties with the Texas Veterinary Medical Diagnostic Laboratory.

(b) The board may pay from the fund all expenses incurred in amounts and at intervals determined by the board.

(c) The board may receive and accept any gifts or donations into the fund.

(d) The board may invest money deposited in the fund, and any income received shall be retained in the fund. The money shall be deposited in any of the approved depository banks of The Texas A&M University System. All expenditures from the fund shall be paid pursuant to approval by the board.

Added by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28,

1989.

Sec. 59.23. RULES. The board may adopt rules for the establishment and administration of the fund and the negotiation, settlement, and payment of claims as necessary to carry out the purpose of this subchapter. The board may establish by rule reasonable limits on the amount of claims to be paid from the fund or to be provided in purchased insurance.

Added by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989.

Sec. 59.24. PURCHASE OF INSURANCE. The board may purchase veterinary medical malpractice insurance from an insurance company authorized to do business in this state as it considers necessary to carry out the purpose of this subchapter.

Added by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989.

Sec. 59.25. LEGAL COUNSEL. The board may employ private legal counsel to represent the professional staff covered by this subchapter under the rules of the board.

Added by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989.

Sec. 59.26. LIMITATION ON APPROPRIATED FUNDS. Funds appropriated by the legislature to the Texas Veterinary Medical Diagnostic Laboratory from the General Revenue Fund may not be used to establish or maintain the fund, to purchase insurance, or to employ private legal counsel.

Added by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989.

Sec. 59.27. EXEMPTION FROM INSURANCE CODE; REPORT. The establishment and administration of the fund under this subchapter and the rules of the board do not constitute the business of insurance as defined and regulated in the Insurance Code. However, the board shall annually report to the State Board of Insurance

information appropriate for carrying out the functions of the State Board of Insurance.

Added by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989.

Sec. 59.28. ADDITIONAL COMPENSATION. Malpractice liability coverage authorized by this subchapter is provided as additional compensation to the professional staff.

Added by Acts 1989, 71st Leg., ch. 2, Sec. 6.02(a), eff. Aug. 28, 1989.