

Chapter 118 Endorsement

1. **Endorsement Intent.** This endorsement modifies coverage provided under the School Liability Coverage Agreement for K-12 school districts only. This endorsement's intent is to extend limited coverage as outlined below for **Claims** arising from Chapter 118 of the Texas Civil Practice and Remedies Code on or after September 1, 2025, or on or after the first day of the **Participation Period** for Fund Members renewing or purchasing School Liability Coverage after September 1, 2025, if this endorsement is not already in force. These coverage changes include the exclusion of coverage for Chapter 118 claims from General Liability Coverage; the extension of limited coverage for Chapter 118 **Claims** under Professional Legal Liability Coverage; the limitation for Chapter 118 **Claims** filed in state court to a \$1 million per **Claim** and annual aggregate limit, including defense costs within limits; and the exclusion of adjudicated or admitted liability under Chapter 118. It is not the intent of this endorsement to limit or exclude coverage for non-Chapter 118 **Claims** or claims. For this endorsement, "state court Chapter 118 **Claims**" means those **Claims** that are filed and adjudicated in, or remanded to, the state courts of Texas.
2. **Part A—General Provisions.** The following Part A provisions are revised as follows:
 - (A) § 3.3 **Claim Expense**, second sentence, is revised to add the following underlined language:

"Claim Expense will be in addition to the limits of liability shown on the CCS or in the Coverage Agreement, except for state court Chapter 118 Claims, which will be within the limits of liability for the Chapter 118 endorsement."
 - (B) § 3.7 **Wrongful Act** is revised to add the following underlined language:

"Wrongful Act means any actual or alleged act, error, or omission by a Covered Person, including the Fund Member's act, error, or omission arising under Chapter 118."
3. **Part B—Professional Legal Liability Coverage (PLL)—Claims-Made and Reported.** The following Part B provision is revised as follows:

§ 5 **PLL Exclusions** under § 5.1 **Other coverage** is revised to add another exception to the parenthetical language, "(except for **Bodily Injury** arising from student discipline or punishment administered by a **Covered Person** or **Claims** arising from Chapter 118)[.]"
4. **Part C—General Liability Coverage (GL)—Occurrence.** The following Part C provision is revised as follows:

§ 7 **GL Exclusions** adds an exclusion, § 7.12. "Chapter 118. Any Damages or Claim Expense arising from any act, error, or omission alleged under Chapter 118."
5. **Part F—School Liability Coverage—General Provisions, Limits, Exclusions, Duties, and Conditions.** The following Part F provisions are revised as follows:

- (A) § 17 **Limits of Liability** under § 17.1 **Limits** is revised to add the following underlined language:

“The Fund will pay for **Damages** above the deductible amount and within the limit of liability stated in the CCS or the Coverage Agreement, except for **Damages** arising from state court Chapter 118 **Claims**, which will be paid above the deductible amount and within a maximum \$1 million PLL limit of liability after the deduction of paid or incurred **Claim Expense**. The limit of liability stated is the maximum amount the Fund will pay for **Damages** (and **Claim Expense**, for state court Chapter 118 **Claims**) for a single **Claim** or **Occurrence**, regardless of any purchased extended reporting period, or the number of related acts, **Wrongful Acts, Claims, Occurrences**, other types of claims, losses, **Covered Persons**, claimants, suits, or types of **Damages**. The amount of **Claim Expense** will not reduce any limit of liability, except for **Claim Expense** arising from state court Chapter 118 **Claims** as outlined above. When the limit of liability is exhausted through payment or tendering of **Damages** (or payment or incurred cost of **Claim Expense** for state court Chapter 118 **Claims**), the Fund has no further liability or obligation to any **Covered Person** to pay further **Damages**, defend any suit, or pay any **Claim Expense** or other expense or cost. The limit of liability in the original **Participation Period** does not increase with the purchase of an extended reporting period.”

- (B) § 17 **Limits of Liability** under § 17.5 **Maximum annual aggregate limit** is revised to add the following underlined language:

“For Professional Legal Liability Coverage only, the maximum annual aggregate limit stated in the CCS is the maximum amount the Fund will pay for **Damages** arising from all **Claims** reported in the **Participation Period** and any purchased extended reporting period regardless of the number of **Wrongful Acts, Claims**, other types of claims, losses, **Covered Persons**, claimants, suits, types of **Damages**, or related acts, except for state court Chapter 118 **Claims**, which will have a maximum annual aggregate limit of \$1 million included within, not separate from, the maximum annual aggregate limit stated in the CCS for all PLL **Claims**. If payment for **Damages** (or payment or incurred cost of **Claim Expense** for state court Chapter 118 **Claims**) reaches the maximum annual aggregate limit, the Fund will have no further liability or obligation to any **Covered Person** to pay further **Damages**, defend any suit, or pay any **Claim Expense** or other expense or cost. The maximum annual aggregate limit in the original **Participation Period** does not increase because of any extended reporting period.”

- (C) § 19 **General Exclusions**” under § 19.1 **Intentional acts** is revised to add the following underlined language:

“Any **Damages** or **Claim Expense** for any **Covered Person** once it has been established by admission or adjudication that the **Covered Person** intentionally engaged in or committed unlawful, dishonest, fraudulent, criminal, grossly negligent, or malicious acts; or intentional acts, errors, or omissions, including intentional misconduct; or acts involving conscious or deliberate indifference or recklessness; or acts involving violations of constitutional or civil rights.”