

BILL ANALYSIS

Senate Research Center

S.B. 1328
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Infrastructure Development and Security
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DIGEST AND PURPOSE

Currently, the commercial vehicles from other states and countries that travel our roadways are required to have insurance. However, in some cases, owners of these vehicles have insurance with unreliable companies that cannot fully pay out damages. As proposed, S.B. 1328 requires any insurance required for a commercial motor vehicle to be obtained from reliable companies. This bill defines what constitutes reliable under this subsection. This bill exempts vehicles authorized to be self-insured.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 643.101, Transportation Code, by adding Subsection (d), as follows:

(d) Requires any insurance required for a commercial motor vehicle to be obtained from a reliable insurance company authorized to do business in this state, unless state law permits the vehicle to be self-insured. Provides that an insurance company is deemed reliable under this subsection if it has 100 percent reinsurance for the portion of insurance required for a commercial motor vehicle in excess of 10 percent of the insurance company's capital and surplus, and if credit is allowed for such reinsurance under Article 5.75-1, Insurance Code (Reinsurance).

SECTION 2. Effective date: September 1, 2003.