

By: Eiland

H.B. No. 922

A BILL TO BE ENTITLED

AN ACT

relating to liability insurance for certain persons licensed or permitted under the Alcoholic Beverage Code.

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

SECTION 1. Subchapter A, Chapter 11, Alcoholic Beverage Code, is amended by adding Section 11.13 to read as follows:

Sec. 11.13. LIABILITY INSURANCE. (a) A person may not hold a permit allowing the person to sell alcoholic beverages for on-premises consumption, including a permit that is held in conjunction with a food and beverage certificate, unless the person maintains a liability insurance policy:

(1) issued by an insurance company authorized to write liability insurance in this state; and

(2) that will pay, on the person's behalf, amounts the person becomes obligated to pay as damages arising out of the operation of the permitted premises.

(b) The minimum amounts of insurance coverage required under this section are:

(1) \$100,000 for each person to whom damages covered by the policy are owed; and

(2) \$300,000 for each single occurrence giving rise to damages covered by the policy.

(c) The commission shall adopt rules relating to:

(1) standards for the commission's approval of the

1 form of an insurance policy required under this section;

2 (2) the method for filing proof of insurance and  
3 obtaining the commission's approval under this section; and

4 (3) verification by the commission of a permit  
5 holder's continued maintenance of the required insurance coverage.

6 SECTION 2. Subchapter A, Chapter 61, Alcoholic Beverage  
7 Code, is amended by adding Section 61.15 to read as follows:

8 Sec. 61.15. LIABILITY INSURANCE. (a) A person may not hold  
9 a license allowing the person to sell alcoholic beverages for  
10 on-premises consumption, including a license that is held in  
11 conjunction with a food and beverage certificate, unless the person  
12 maintains a liability insurance policy:

13 (1) issued by an insurance company authorized to write  
14 liability insurance in this state; and

15 (2) that will pay, on the person's behalf, amounts the  
16 person becomes obligated to pay as damages arising out of the  
17 operation of the licensed premises.

18 (b) The minimum amounts of insurance coverage required  
19 under this section are:

20 (1) \$100,000 for each person to whom damages covered  
21 by the policy are owed; and

22 (2) \$300,000 for each single occurrence giving rise to  
23 damages covered by the policy.

24 (c) The commission shall adopt rules relating to:

25 (1) standards for the commission's approval of the  
26 form of an insurance policy required under this section;

27 (2) the method for filing proof of insurance and

1 obtaining the commission's approval under this section; and

2 (3) verification by the commission of a license  
3 holder's continued maintenance of the required insurance coverage.

4 SECTION 3. (a) This Act takes effect September 1, 2003.  
5 The change in law made by this Act applies to a person who applies  
6 for a permit or license for the sale of alcoholic beverages for  
7 on-premises consumption, including a permit or license that is held  
8 in conjunction with a food and beverage certificate, on or after  
9 January 1, 2004, and to a person who, on January 1, 2004, holds a  
10 permit or license for the sale of alcoholic beverages for  
11 on-premises consumption, including a permit or license that is held  
12 in conjunction with a food and beverage certificate, regardless of  
13 when the permit or license was issued.

14 (b) The Texas Alcoholic Beverage Commission shall adopt all  
15 rules necessary to implement the changes made by this Act not later  
16 than December 31, 2003.