

BILL ANALYSIS

C.S.H.B. 2879
By: Keffer, Bill
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law requires an insurance policy covering an amusement ride to insure the owner or operator against liability for injury to persons in specified minimum limits. In practice, insurers do not write single limit policies and are very reluctant to do so even at the request of the Department thus impacting availability of coverage to amusement ride owners/operators. This bill will allow amusement ride owners/operators to continue to purchase a split limit policy or a combined single limit policy without diminishing the amount of bodily injury coverage required by current law.

C.S.H.B. 2879 will help to aid insurance availability in very limited market for owners and operators of amusement ride devices in Texas.

Current law includes challenge courses in the definition of amusement rides. C.S.H.B. 2879 will exempt challenge courses from the current definition of amusement rides.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Section 1: Amends Section 2151.002(1) of the Occupations Code by adding (C) which will establish that challenge courses that include logs, tires, platforms, beams, bridges, poles, ladders, nets, climbing walls or towers, traverses, cables, swings, or zip lines that are constructed and used for educational purposes are not included in the definition of "amusement ride".

Section 2: Amends Sec. 2151.101(a) of the Occupations Code to provide the following insurance requirements for amusement rides:

- (A) for Class A amusement rides:
 - (i) \$100,000 bodily injury and \$50,000 property damage per occurrence with a \$300,000 annual aggregate; or
 - (ii) a \$150,000 per occurrence combined single limit with a \$300,000 annual aggregate [for Class A amusement rides]; and
- (B) for Class B amusement rides:
 - (i) \$1,000,000 bodily injury and \$500,000 property damage per occurrence;
 - or (ii) \$1,500,000 per occurrence combined single limit [for Class B amusement rides];

Section 3: This Act is applicable only to an insurance policy, certificate, or contract delivered, issued for delivery, or renewed on or after January 1, 2006.

Section 4: Effective date

C.S.H.B. 2879 79(R)

EFFECTIVE DATE

September 1, 2005. The Act applies beginning with January 1, 2006.

COMPARISON OF ORIGINAL TO SUBSTITUTE

C.S.H.B. 2879 amends the original bill by adding Section 1 which will exempt challenge courses from the definition of "amusement ride" as defined in Section 2151.002(1) of the Occupations Code.