

BILL ANALYSIS

Senate Research Center

S.B. 1282
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Business & Commerce
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Enrolled

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

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 Texas Department of Insurance, thus impacting availability of coverage to amusement ride owners and operators. Legislation is needed to increase insurance availability in a very limited market for owners and operators of amusement ride devices in Texas.

S.B. 1282 allows amusement ride owners and 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. S.B. 1282 also redefines "amusement ride" to include challenge courses.

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 2151.101(a), Occupations Code, to prohibit a person from operating an amusement ride unless the person has a combined single limit or split limit insurance policy currently in effect written by an insurance company authorized to do business in this state or by a surplus lines insurer, as defined by Chapter 981, Insurance Code, or has an independently procured policy subject to Chapter 101, Insurance Code, insuring the owner or the operator against liability for injury to persons arising out of the use of the amusement ride in an amount, for Class A amusement rides, of not less than \$100,000 bodily injury and \$50,000 property damage, per occurrence with a \$300,000 annual aggregate, and, for Class B amusement rides, \$1,000,000 bodily injury and \$500,000 property damage per occurrence, or \$1,500,000 per occurrence combined single limit. Makes nonsubstantive changes.

SECTION 2. Amends Section 2151.002(1), Occupations Code, to redefine "amusement ride."

SECTION 3. Makes application of this Act prospective to January 1, 2006.

SECTION 4. Effective date: September 1, 2005.