

1-1 By: Harris S.B. No. 359  
1-2 (In the Senate - Filed February 4, 2005; February 15, 2005,  
1-3 read first time and referred to Committee on Business and Commerce;  
1-4 March 31, 2005, reported adversely, with favorable Committee  
1-5 Substitute by the following vote: Yeas 8, Nays 0; March 31, 2005,  
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 359 By: Brimer

1-8 A BILL TO BE ENTITLED  
1-9 AN ACT

1-10 relating to notice regarding rental car damage waivers.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Subsection (b), Section 3, Article 9026c,  
1-13 Revised Statutes, is amended to read as follows:

1-14 (b) In addition to the notice provided to each renter who  
1-15 purchases a damage waiver, a rental company shall post in a  
1-16 conspicuous location where the waiver is being offered the  
1-17 following notice:

1-18 Notice to Texas Residents Regarding Damage Waivers  
1-19 Your personal automobile insurance policy may or may  
1-20 not provide coverage for your responsibility for the  
1-21 loss of or damage to a rented vehicle during the rental  
1-22 term. Before deciding whether to purchase a damage  
1-23 waiver, you may wish to determine whether your  
1-24 automobile insurance policy provides you coverage for  
1-25 rental vehicle damage or loss. [The Texas personal  
1-26 automobile insurance policy provides coverage with NO  
1-27 DEDUCTIBLE for the legal liabilities of the  
1-28 policyholder in connection with the loss of or damage  
1-29 to a rented vehicle, except for damages caused  
1-30 intentionally, up to the maximum of the property  
1-31 damage limits under your liability coverage.] If you  
1-32 file a claim under your personal automobile insurance  
1-33 policy, your insurance company may choose to nonrenew  
1-34 your policy at your renewal date, but may do so only if  
1-35 you are at fault for the claim.

1-36 SECTION 2. The change in law made by this Act applies only  
1-37 to a rental agreement entered into on or after the effective date of  
1-38 this Act. A rental agreement entered into before the effective date  
1-39 of this Act is governed by the law in effect when the rental  
1-40 agreement was entered into, and the former law is continued in  
1-41 effect for that purpose.

1-42 SECTION 3. This Act takes effect immediately if it receives  
1-43 a vote of two-thirds of all the members elected to each house, as  
1-44 provided by Section 39, Article III, Texas Constitution. If this  
1-45 Act does not receive the vote necessary for immediate effect, this  
1-46 Act takes effect September 1, 2005.

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