

## **BILL ANALYSIS**

Senate Research Center  
82R18623 RWG-F

H.B. 3570  
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Business & Commerce  
5/6/2011  
Engrossed

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Responding to reports of accidental deaths of persons on certain amusement rides such as roller coasters at carnivals and fairs, the legislature enacted legislation to regulate such rides and protect the riders. Among those regulatory measures was a mandatory insurance requirement at specified levels of coverage for different categories of amusement rides and requirements for periodic inspections by an insurer. In adopting regulations to implement these provisions, the Texas Department of Insurance determined that the insurance requirements also applied to other amusement rides without considering such rides known as bounce houses.

H.B. 3570 limits the application of provisions aimed at traditional amusement rides by establishing separate liability insurance requirements, set at \$1,000,000, specifically for bounce houses.

H.B. 3570 amends current law relating to insurance coverage requirements for certain amusement rides.

### **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, as follows:

(a) Prohibits a person from operating an amusement ride unless the person:

(1)-(2) Makes no changes to these subdivisions;

(3) except as provided by Sections 2151.1011 (Liability Insurance for Certain Amusement Rides) and 2151.1012, rather than as provided by Section 2151.1011, 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 (Surplus Lines Insurance), Insurance Code, or has an independently procured policy subject to Chapter 101 (Unauthorized Insurance), Insurance Code, insuring the owner or operator against liability for injury to persons arising out of the use of the amusement ride in an amount of not less than for Class A amusement rides \$100,000 bodily injury and \$50,000 property damage per occurrence with a \$300,000 annual aggregate; or a \$150,000 per occurrence combined single limit 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; and

(4)-(5) Makes no changes to these subdivisions.

SECTION 2. Amends Subchapter C, Chapter 2151, Occupations Code, by adding Section 2151.1012, as follows:

Sec. 2151.1012. LIABILITY INSURANCE FOR CERTAIN OTHER AMUSEMENT RIDES. (a) Provides that this section applies only to a Class B amusement ride that:

(1) is mechanically inflated using a continuous airflow device; and

(2) provides a surface for bouncing and jumping or creates an enclosed space for the purpose of amusement.

(b) Prohibits a person from operating an amusement ride described by Subsection (a) unless the person has a combined single limit insurance policy currently in effect written by an insurance company authorized to conduct 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 operator against liability arising out of the use of the amusement ride in an amount of not less than \$1 million per occurrence.

SECTION 3. Effective date: September 1, 2011.