

BILL ANALYSIS

C.S.H.B. 3570
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Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

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. C.S.H.B. 3570 seeks to limit the application of provisions aimed at traditional amusement rides by establishing separate liability insurance requirements specifically for bounce houses.

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

C.S.H.B. 3570 amends the Occupations Code to prohibit a person from operating a Class B amusement ride that is mechanically inflated using a continuous airflow device and provides a surface for bouncing and jumping or creates an enclosed space for the purpose of amusement unless the person has a combined single limit insurance policy currently in effect written by an insurance company authorized to conduct business in Texas or by a surplus lines insurer, or has an independently procured policy subject to provisions governing insurance provided by an insurer not authorized to do business in Texas, 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. The bill makes conforming changes.

EFFECTIVE DATE

September 1, 2011.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 3570 differs from the original by prohibiting a person from operating certain Class B amusement rides unless the person has a combined single limit insurance policy or has an independently procured policy insuring the owner or operator against liability in an amount of not less than \$1 million per occurrence, whereas the original authorizes a person to operate such a ride without obtaining an insurance policy.