

BILL ANALYSIS

Senate Research Center
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S.B. 503
By: Jackson
Business & Commerce
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As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 503 requires that any insurer subject to Subchapter H (Coverage for Certain Towing and Storage Charges), Chapter 1952 (Policy Provisions and Forms for Automobile Insurance), Insurance Code, include in an automobile liability insurance policy coverage for reasonable towing and related storage charges assessed in relation to a vehicle involved in a motor vehicle accident for which an insured under the policy is liable.

As proposed, S.B. 503 amends current law relating to coverage for certain towing and storage expenses under a motor vehicle insurance policy.

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 Chapter 1952, Insurance Code, by adding Subchapter H, as follows:

SUBCHAPTER H. COVERAGE FOR CERTAIN TOWING AND STORAGE CHARGES

Sec. 1952.351. **APPLICABILITY OF SUBCHAPTER.** Provides that this subchapter applies to any insurer writing automobile insurance in this state, including a capital stock insurance company, a reciprocal or interinsurance exchange, a mutual insurance company, including a county mutual insurance company, a Lloyd's plan, or another legal entity engaged in the business of automobile insurance in this state. Provides that the term includes:

- (1) an affiliate as described by Section 823.003(a) if that affiliate is authorized to write and is writing automobile insurance in this state; and
- (2) the Texas Automobile Insurance Plan Association under Chapter 2151 (Texas Automobile Insurance Plan Association).

Sec. 1952.352. **COVERAGE FOR TOWING AND STORAGE CHARGES.** Requires an insurer subject to this subchapter that delivers, issues for delivery, or renews an automobile liability insurance policy in this state that covers liability arising out of the ownership, maintenance, or use of a motor vehicle to include coverage for reasonable towing expenses and related storage charges assessed in relation to a vehicle involved in a motor vehicle accident for which an insured under the policy is liable.

SECTION 2. Makes application of this Act prospective to January 1, 2012.

SECTION 3. Effective date: September 1, 2011.