

**SUBJECT:** Revising insurance coverage for certain amusement rides

**COMMITTEE:** Insurance — committee substitute recommended

**VOTE:** 8 ayes — Smithee, Seaman, Eiland, Isett, B. Keffer, Taylor, Thompson, Van Arsdale

0 nays

1 absent — Oliveira

**WITNESSES:** None

**BACKGROUND:** Occupations Code, ch. 2151, governs the regulation of amusement rides. An amusement ride is a mechanical device that carries passengers along, around, or over a fixed or restricted course with a defined area for the purposes of giving the passengers amusement, pleasure or excitement. Amusement ride operators must have insurance of at least \$100,000 per occurrence with a \$300,000 annual aggregate for class A amusement rides, which have a fixed location and are designed for children younger than 13 years of age, and \$1,000,000 per occurrence for all other rides, which are considered class B amusement rides.

**DIGEST:** CSHB 2879 would amend Occupations Code, ch. 2151, to require amusement park operators to have a combined single limit or split limit policy of \$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 for class A amusement rides. For class B amusement rides, park operators would have to have coverage of \$1,000,000 bodily injury and \$500,000 property damage per occurrence or \$1.5 million per occurrence combined single limit.

The bill would specify that a challenge course, which may include logs, tires, platforms, beams, bridges, poles, ladders, nets, climbing walls, climbing towers, traverses, cables, swings, or zip lines, that is constructed and used for educational purposes, is not considered an amusement ride and would not be subject to these insurance requirements.

The bill would take effect September 1, 2005, and would apply to policies, certificates or contracts delivered, issued for delivery, or renewed on or after January 1, 2006.

**SUPPORTERS  
SAY:**

CSHB 2879 would correct a statutory problem that has made it more difficult and expensive for Texas amusement park ride operators to get insurance. Existing statutes do not conform with insurance products in this limited market, so operators often have difficulty getting coverage or must pay more to get the coverage. The Texas statute, which was enacted in the mid-1980s in response to an amusement park ride accident at the State Fair, needs to be updated to conform to the current insurance marketplace.

**OPPONENTS  
SAY:**

No apparent opposition.

**NOTES:**

The committee substitute added a provision specifying that challenge courses are not considered amusement park rides.

The companion bill, SB 1282 by Armbrister, passed the Senate on the Local and Uncontested Calendar on April 22 and has been referred to the House Insurance Committee.