

- SUBJECT:** Liability insurance for train-like amusement ride
- COMMITTEE:** Insurance — committee substitute recommended
- VOTE:** 7 ayes — Smithee, T. Smith, Taylor, Hancock, Martinez, Thompson, Woolley
- 0 nays
- 2 absent — Eiland, Vo
- WITNESSES:** For — Deborah Snell
- Against — *(Registered, but did not testify:* Pamela J. Bolton, Texas Watch)
- 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.
- For class A amusement rides, which are rides designed for children under age 13, amusement park operators must have a combined single limit or split limit insurance 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 B amusement rides, which include all other rides, park operators must have coverage of \$1,000,000 bodily injury and \$500,000 property damage per occurrence or \$1.5 million per occurrence combined single limit.
- 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 is not subject to these insurance requirements.
- DIGEST:** CSHB 1070 would create an exemption to amusement park ride insurance

requirements for Class B amusement rides that:

- consisted of a motorized vehicle that towed one or more separate passenger cars in a manner similar to a train, but without regard to whether the vehicle and cars operated on a fixed track or course;
- did not travel under its own power more than five miles an hour;
- had safety belts for all passengers;
- did not run on an elevated track;
- had passenger seating areas enclosed by guardrails or doors; and
- did not have passenger cars that rotated independently from the motorized vehicle.

Operators of these rides would not be subject to Class B insurance requirements but would have to have insurance coverage for injuries resulting from use of the amusement ride of not less than \$1 million in aggregate for all liability claims for a policy year.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2007.

**SUPPORTERS  
SAY:**

CSHB 1070 would allow operators of trackless train rides to stay in business while still complying with statutory requirements for liability insurance coverage. The cost of coverage required under current law is about \$35,000 a year, which can exceed the total annual income for one trackless train operator. This requirement forces these small amusement ride operators to choose between staying in business and complying with the law.

Ride operators still would have to have a \$1 million policy to cover all claims in a year. For a trackless train operator, premiums for this policy are about \$2,000 a year, which is a more reasonable liability insurance requirement for the limited level of risk involved.

The bill would provide a limited exception to a particular kind of ride that poses little safety risk and has seat belts and other safety features. These rides were not intended to be regulated in the same way as traditional amusement park rides for children.

**OPPONENTS  
SAY:**

The state should not start singling out certain kinds of amusement rides as more or less dangerous and adopting different insurance policy

requirements for each one. Even on these small rides people can get hurt, and a \$1 million annual policy may not provide enough coverage to pay for these injuries.

NOTES:

The committee substitute added a sixth requirement that the ride could not have passenger cars that rotate independently from the motor vehicle, and it lowered the maximum speed from 10 to five miles per hour.