

BILL ANALYSIS

Senate Research Center

S.B. 522
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Economic Development
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As Filed

DIGEST

Currently, the Texas Department of Insurance interprets the definition for "vehicle" to exclude rental trucks, small utility trailers, motor homes, and motorcycles. As a result, a rental company, licensed to issue short-term, optional insurance, may not extend its limited coverage to certain rental vehicles and equipment. S.B. 522 would authorize insurance coverage on certain rental vehicles and vehicle equipment by redefining certain terms in Article 21.07, Insurance Code, to include rental trucks, small utility trailers, motor homes, motorcycles, car-top carriers, and tow dollies.

PURPOSE

As proposed, S.B. 522 authorizes insurance coverage on certain rental vehicles and vehicle equipment.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subsections 21 (b), (f), (g), (i), and (j), Article 21.07, Insurance Code, to redefine "limited licensee," "rental agreement," "rental car company," "renter," "vehicle," and vehicle equipment." Authorizes a rental car company or a licensed franchisee to act as an agent for an authorized insurer only when the company or franchisee acts with a certain type of insurance and rents vehicles or vehicle equipment, rather than only the rental of vehicles. Sets forth the kinds of insurance required for a rental car company or franchisee and includes vehicle equipment under the coverage of those insurance types. Makes conforming changes.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 4. Emergency clause.