

BILL ANALYSIS

Senate Research Center
82R17334 AJA-F

C.S.S.B. 1846
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Business & Commerce
4/6/2011
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 1987, the Charitable Immunity and Liability Act was enacted to encourage volunteers to offer their services and to reduce the liability exposure and insurance costs of charitable organizations and their employees and volunteers for the policy purposes stated in Section 84.002 (Findings and Purposes), Civil Practices and Remedies Code.

C.S.S.B. 1846 clarifies current law by amending the Charitable Immunity and Liability Act to expressly state that the type of insurance coverage contemplated in the Act includes, self-insured retention plans (SIRs), a common form of coverage for liability, Lloyd's plans, and certain indemnity policies. The bill also clarifies that a church that is a recognized exempt organization under Section 501(c)(3) or (4) of the Internal Revenue Code is a charitable organization under the Act without having to provide additional evidence of such status.

C.S.S.B. 1846 amends current law relating to organizations that are covered by the Charitable Immunity and Liability Act of 1987.

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 Section 84.003(1), Civil Practice and Remedies Code, to redefine "charitable organization."

SECTION 2. Amends Section 84.007(g), Civil Practice and Remedies Code, as follows:

(g) Provides that the liability insurance coverage may be provided under a contract for insurance, a plan providing for self-insured retention that the charitable organization has fully paid or establishes to a court of law that it is capable of fully and immediately paying, a Lloyd's plan, an indemnity policy to which all requirements for payment have been or will be met, or other plan of insurance authorized by statute and may be satisfied by the purchase of a \$1,000,000 bodily injury and property damage combined single limit policy. Provides that for the purposes of this chapter, coverage amounts are inclusive of a self-insured retention, a Lloyd's plan, or an indemnity policy to which all requirements for payment have been or will be met. Requires that nothing in this chapter limit liability of any insurer or insurance plan in an action under Chapter 541 (Unfair Methods of Competition and Unfair or Deceptive Acts or Practices), rather than under Chapter 21, Insurance Code, or in an action for bad faith conduct, breach of fiduciary duty, or negligent failure to settle a claim.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: upon passage or September 1, 2011.