

## **BILL ANALYSIS**

Senate Research Center

C.S.S.B. 522  
By: Cain  
Economic Development  
4/5/1999  
Committee Report (Substituted)

### **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. C.S.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, C.S.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, agent, licensee, or a licensed franchisee to act as an agent for an authorized insurer only when the actors rent a vehicle or vehicle equipment and only with respect to certain type of insurance. Sets forth the kinds of insurance an actor may utilize and includes vehicle equipment under the coverage of those insurance types and includes household belongs in personal effect insurance. 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.

### **SUMMARY OF COMMITTEE CHANGES**

SECTION 1.

Amends Subsection (f), Section 21, Article 21.07, Insurance Code, to add an agent and licensee to those who may act as an agent for an authorized insurer who uses certain types of insurance. Adds household belongings to those items included in personal effects insurance.