

**BILL ANALYSIS**

Senate Research Center

S.B. 502  
By: Averitt  
Business & Commerce  
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As Filed

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Current law sets forth minimum amounts of liability coverage for automobile insurance. The current required minimum amounts of coverage for bodily injury to or death of one person in one accident is \$20,000, for bodily injury to or death of two or more persons in one accident is \$40,000, and for damage to or destruction of property of others in one accident is \$15,000. These state-required coverage minimums do not cover instances of severe injury or property loss, and often times, the injured individual has little recourse in covering medical expenses beyond those covered by insurance.

As proposed, S.B. 502 removes the existing minimum liability coverage amounts for automobile insurance.

**RULEMAKING AUTHORITY**

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

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 601.072(a), Transportation Code, to delete the minimum amount of motor vehicle liability insurance coverage for bodily injury or death of a person in an accident, bodily injury or death of two or more persons in an accident, and damage to or destruction of property in an accident, which is required to establish financial responsibility under this chapter.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.