

BILL ANALYSIS

Senate Research Center

S.B. 1846
By: Lucio
Business & Commerce
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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.

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.

As proposed, S.B. 1846 amends current law relating to immunity and liability issues regarding unincorporated charitable organizations, charitable organizations that utilize self-insured retentions in their insurance coverage, and charitable organizations that utilize Lloyd's plans and indemnity policies.

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) Authorizes the liability insurance coverage to 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, a collectible indemnity policy, or other plan of insurance authorized by statute and to 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. Deletes existing text authorizing the coverage to be provided under a contract of insurance or other plan of insurance authorized by statute and to be satisfied by the purchase of a \$1,000,000 bodily injury and property damage combined single limit policy.

SECTION 3. Effective date: upon passage or September 1, 2011.