

By: Bivins

S.B. No. 422

A BILL TO BE ENTITLED

AN ACT

relating to requirements regarding motor vehicle insurance and proof of financial responsibility; providing penalties.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

ARTICLE 1. FINANCIAL RESPONSIBILITY REQUIREMENTS

SECTION 1.01. Chapter 601, Transportation Code, is amended by adding Subchapter N to read as follows:

SUBCHAPTER N. VERIFICATION OF COMPLIANCE WITH AND ENFORCEMENT  
OF FINANCIAL RESPONSIBILITY REQUIREMENTS

Sec. 601.501. DEFINITION. In this subchapter, "verification date" means the date on which the Texas Department of Transportation mails a written request to an owner of a motor vehicle requiring the owner to state whether the owner has established financial responsibility in accordance with Section 601.051(a).

Sec. 601.502. VERIFICATION OF ESTABLISHMENT OF FINANCIAL RESPONSIBILITY THROUGH RANDOM SAMPLING. (a) The Texas Department of Transportation or an agent of that department shall randomly select samples of registrations of motor vehicles subject to this chapter, and may select samples of owners of motor vehicles subject to this chapter, to verify whether an owner who is selected or whose motor vehicle is selected has established financial responsibility in accordance with Section 601.051(a). The Department of Public Safety shall provide the Texas Department of Transportation access

1 to any information that will allow the Texas Department of  
2 Transportation to comply with this subsection.

3 (b) A sample selected under this section may not be  
4 classified on the basis of the owner's race, color, religion, sex,  
5 national origin, age, marital status, physical or mental  
6 disability, economic status, or geographic location.

7 (c) In addition to the general random sampling of motor  
8 vehicle registrations, the Texas Department of Transportation may  
9 randomly select other persons who own a registered motor vehicle to  
10 verify that the person has established financial responsibility,  
11 including a person:

12 (1) who, during the four-year period preceding the  
13 date of selection, has been convicted of a violation of Section  
14 601.191, 601.195, 601.196, as it existed before repeal, or 601.506,  
15 including a violation that occurred while the person was operating  
16 a motor vehicle owned by another person; or

17 (2) whose driver's license or motor vehicle  
18 registration has been suspended during the four-year period  
19 preceding the date of selection.

20 (d) The Texas Department of Transportation shall send to the  
21 owner of a randomly selected motor vehicle, or to a randomly  
22 selected motor vehicle owner, a request for information about the  
23 motor vehicle and the owner's method of establishing financial  
24 responsibility. The request must require the owner to state  
25 whether the owner has, as of the verification date, established  
26 financial responsibility in accordance with Section 601.051(a).

27 (e) The Texas Department of Transportation:

1           (1) shall adopt rules as necessary to implement this  
2 subchapter; and

3           (2) by rule shall:

4                   (A) establish the frequency of sample selection;  
5 and

6                   (B) prescribe:

7                           (i) the methods employed for the random  
8 selection of samples and the procedures necessary for  
9 implementation of the verification process, including the method of  
10 sending the verification request, which may include certified mail,  
11 return receipt requested;

12                           (ii) the form for verification of financial  
13 responsibility; and

14                           (iii) the information to be requested in  
15 the prescribed form.

16           (f) The Texas Department of Transportation may require the  
17 information provided by an owner to include a statement by the owner  
18 that the owner had, as of the verification date, established  
19 financial responsibility:

20                   (1) through liability insurance under Subchapter D,  
21 including:

22                           (A) the name and address of the insurer;

23                           (B) the number of the insurance policy; and

24                           (C) the expiration date of the insurance  
25 coverage;

26                   (2) by filing a surety bond with the Department of  
27 Public Safety under Section 601.121, including:

1           (A) the name and address of the company issuing  
2 the bond;

3           (B) the identification number of the bond; and

4           (C) the expiration date of the bond;

5           (3) by depositing cash or securities with the  
6 comptroller under Section 601.122, including a copy of the  
7 certificate issued by the comptroller showing compliance;

8           (4) by depositing cash or a cashier's check with the  
9 county judge of the county in which the motor vehicle is registered  
10 under Section 601.123, including a copy of the certificate issued  
11 by the county judge showing compliance; or

12           (5) through self-insurance under Section 601.124,  
13 including a copy of the certificate of self-insurance issued by the  
14 Department of Public Safety.

15           (g) Not later than the 30th day after the verification date,  
16 the owner to whom the notice is sent shall furnish the requested  
17 information to the Texas Department of Transportation in the form  
18 prescribed by that department, accompanied by the owner's signed  
19 affirmation that the information is true and correct.

20           (h) If the owner responds to the request for information by  
21 asserting that the owner had, as of the verification date,  
22 established financial responsibility in accordance with a method  
23 authorized by Section 601.051(a), the Texas Department of  
24 Transportation may conduct a verification investigation as  
25 provided by Section 601.503.

26           Sec. 601.503. VERIFICATION INVESTIGATION. (a) To verify a  
27 response received from an owner under Section 601.502, the Texas

1 Department of Transportation or an agent of that department may  
2 furnish necessary information to the insurer, surety, or officer  
3 named in the response. Not later than the 30th day after the date of  
4 receipt of the information, the insurer, surety, or officer shall  
5 inform the Texas Department of Transportation whether, as of the  
6 verification date, financial responsibility had been established  
7 for the affected motor vehicle in accordance with Section  
8 601.051(a). An insurer that does not comply with this subsection is  
9 subject to an administrative penalty under Chapter 84, Insurance  
10 Code.

11 (b) If the response received from an owner under Section  
12 601.502 states that financial responsibility has been established  
13 through self-insurance, the Texas Department of Transportation  
14 shall examine the records of the Department of Public Safety to  
15 verify that a certificate of self-insurance has been issued in  
16 accordance with Section 601.124.

17 Sec. 601.504. CIVIL PENALTY; WARNING NOTICE. (a) If an  
18 owner responds under Section 601.502 that the owner has not  
19 established financial responsibility or the owner fails to respond  
20 in a timely manner, or if the Texas Department of Transportation  
21 otherwise determines that an owner has registered or maintained the  
22 registration of a motor vehicle without establishing financial  
23 responsibility in accordance with Section 601.051(a):

24 (1) the owner is liable to the state for a civil  
25 penalty of \$250; and

26 (2) the Texas Department of Transportation shall mail  
27 to the owner a warning stating that:

1           (A) the owner has 30 days after the date the  
2 warning is sent to provide the evidence of financial  
3 responsibility; and

4           (B) if the owner does not timely comply with  
5 Paragraph (A), the registration of the motor vehicle will be  
6 terminated.

7           (b) If an owner of a motor vehicle has not provided evidence  
8 of financial responsibility to the Texas Department of  
9 Transportation within the 30 days after the date the warning is  
10 sent, the Texas Department of Transportation shall terminate the  
11 registration for the motor vehicle.

12           (c) Each notice or warning sent under this section must  
13 include, in English and Spanish, a clear and reasonably complete  
14 statement of an owner's rights and responsibilities under this  
15 chapter.

16           (d) From the civil penalties collected under this chapter,  
17 the Texas Department of Transportation shall recover its costs in  
18 implementing and administering the verification program under this  
19 subchapter. The Texas Department of Transportation shall deposit  
20 any amounts collected that exceed the administrative costs of that  
21 department under this subchapter to the credit of the general  
22 revenue fund.

23           Sec. 601.505. REGISTRATION OF MOTOR VEHICLE FOR WHICH  
24 REGISTRATION TERMINATED. (a) Except as provided by Subsections  
25 (b), (c), and (d), a motor vehicle for which registration is  
26 terminated under Section 601.504(b) may not be registered unless  
27 the owner submits with the application for registration:

1           (1) the \$250 civil penalty provided by Section  
2 601.504(a), if the civil penalty has not been previously paid; and

3           (2) the registration fee applicable to the vehicle and  
4 any other fee required by law for registration of the vehicle.

5           (b) The Texas Department of Transportation shall reinstate  
6 the terminated registration of a motor vehicle without payment of  
7 any fee under Subsection (a)(2) if before the end of the  
8 registration period during which the registration was terminated  
9 the owner of the motor vehicle presents evidence of financial  
10 responsibility that:

11           (1) complies with Section 601.051(a); and

12           (2) was in effect on the verification date and is in  
13 effect on the date of application for reinstatement.

14           (c) Notwithstanding the terms of this subchapter:

15           (1) no lien attaches to a vehicle as a result of a  
16 violation of this subchapter;

17           (2) a person is not liable for a fine or penalty levied  
18 under this section or Section 601.504 if the person did not own the  
19 vehicle at the time the fine or penalty was levied; and

20           (3) neither a tax assessor-collector nor the Texas  
21 Department of Transportation may refuse to register a vehicle on  
22 the ground that a prior owner of the vehicle violated this  
23 subchapter.

24           (d) The provisions of Subsection (c) are not available to:

25           (1) a person who received title to the vehicle as a  
26 gift from the prior owner; or

27           (2) a person who received title to the vehicle from a

1 family member, unless the Texas Department of Transportation is  
2 satisfied that the transfer is in good faith and not to defeat the  
3 purpose of this subchapter.

4 Sec. 601.506. DISPLAY OF FALSE PROOF OF FINANCIAL  
5 RESPONSIBILITY; OFFENSE. (a) A person commits an offense if the  
6 person provides evidence of financial responsibility to a peace  
7 officer, as defined by Article 2.12, Code of Criminal Procedure,  
8 court, or officer of the court knowing that financial  
9 responsibility has not been established as required under Section  
10 601.051(a) or that the evidence of financial responsibility is  
11 illegally altered, counterfeit, or otherwise invalid.

12 (b) If a peace officer issues a citation to a motor vehicle  
13 operator for displaying invalid evidence of financial  
14 responsibility, the officer shall confiscate the invalid evidence  
15 of financial responsibility for presentation in court.

16 (c) An offense under this section is punishable by a fine of  
17 not less than \$500 or more than \$750.

18 Sec. 601.507. USE OF AGENTS. The Texas Department of  
19 Transportation may submit requests for proposals for contracts with  
20 private vendors to perform the random sampling and the verification  
21 investigations required under this subchapter as an agent of that  
22 department. The Texas Department of Transportation may enter into  
23 contracts as necessary to implement the use of agents.

24 SECTION 1.02. Section 601.051, Transportation Code, is  
25 amended to read as follows:

26 Sec. 601.051. REQUIREMENT OF FINANCIAL RESPONSIBILITY.  
27 (a) A person may not operate a motor vehicle in this state unless

1 financial responsibility is established for that vehicle through:

2 (1) a motor vehicle liability insurance policy that  
3 complies with Subchapter D;

4 (2) a surety bond filed under Section 601.121;

5 (3) a deposit under Section 601.122;

6 (4) a deposit under Section 601.123; or

7 (5) self-insurance under Section 601.124.

8 (b) An owner of a motor vehicle may not permit another  
9 person to operate the motor vehicle in this state unless financial  
10 responsibility is established for that vehicle and evidenced  
11 through a method described by Subsection (a).

12 SECTION 1.03. Section 601.191, Transportation Code, is  
13 amended to read as follows:

14 Sec. 601.191. OPERATION OF MOTOR VEHICLE IN VIOLATION OF  
15 FINANCIAL RESPONSIBILITY REQUIREMENTS [~~MOTOR VEHICLE LIABILITY~~  
16 ~~INSURANCE REQUIREMENT~~]; OFFENSE. (a) A person commits an offense  
17 if the person operates a motor vehicle or permits another person to  
18 operate a motor vehicle in violation of Section 601.051.

19 (b) Except as provided by Subsection [~~Subsections (c) and~~  
20 (d)], an offense under this section is a misdemeanor punishable by a  
21 fine of not less than \$350 [~~\$175~~] or more than \$500 [~~\$350~~].

22 (c) It is a defense to prosecution under this section that  
23 the person charged with an offense produces in court satisfactory  
24 evidence that, at the time of the alleged offense, the owner or  
25 operator had established financial responsibility in accordance  
26 with Section 601.051(a). [~~If a person has been previously~~  
27 ~~convicted of an offense under this section, an offense under this~~

1 ~~section is a misdemeanor punishable by a fine of not less than \$350~~  
2 ~~or more than \$1,000.]~~

3 (d) If the court determines that a person who has not been  
4 previously convicted of an offense under this section is  
5 economically unable to pay the fine, the court may reduce the fine  
6 to less than \$350 [~~\$175~~].

7 SECTION 1.04. Section 601.195, Transportation Code, is  
8 amended by adding Subsection (c) to read as follows:

9 (c) It is a defense to prosecution under this section that  
10 the person charged with an offense produces in court satisfactory  
11 evidence that, at the time of the alleged offense, the owner or  
12 operator had established financial responsibility in accordance  
13 with Section 601.051(a).

14 SECTION 1.05. In performing sample selection under Section  
15 601.502, Transportation Code, as added by this Act, the Texas  
16 Department of Transportation shall ensure that at least 500,000  
17 samples are selected on or before September 1, 2005.

18 SECTION 1.06. (a) In cooperation with the Texas Department  
19 of Insurance and the Department of Public Safety of the State of  
20 Texas, the Texas Department of Transportation shall conduct an  
21 evaluation of the implementation and operation of the verification  
22 program adopted under Subchapter N, Chapter 601, Transportation  
23 Code, as added by this Act, and of the effectiveness of the  
24 verification program in increasing compliance with the financial  
25 responsibility requirements established under Subchapter C,  
26 Chapter 601, Transportation Code. The evaluation must include:

27 (1) a computation, by year, of the number of persons

1 determined by the Texas Department of Transportation through the  
2 application of the verification program to be driving without  
3 compliance with the financial responsibility requirements  
4 established under Subchapter C, Chapter 601, Transportation Code;  
5 and

6 (2) the annual effect of the program, as determined by  
7 the Texas Department of Insurance, on the rate for uninsured  
8 motorist insurance coverage under Article 5.06-1, Insurance Code.

9 (b) The Texas Department of Transportation shall enter into  
10 contracts, memoranda of understanding, or interagency agreements  
11 as necessary to implement this section.

12 (c) The Texas Department of Transportation shall report the  
13 results of the evaluation conducted under this section to the  
14 legislature not later than February 1, 2011. The department shall  
15 provide written copies of the report to the governor, the  
16 lieutenant governor, and the speaker of the house of  
17 representatives.

18 ARTICLE 2. UNINSURED AND UNDERINSURED MOTORIST COVERAGE

19 SECTION 2.01. Article 5.06-1, Insurance Code, is amended to  
20 read as follows:

21 Art. 5.06-1. UNINSURED OR UNDERINSURED MOTORIST COVERAGE.

22 (a) [(1)] No automobile liability insurance, [(4)]including  
23 insurance issued through the Texas Automobile Insurance Plan  
24 Association [~~pursuant to an Assigned Risk Plan established under~~  
25 ~~authority of Section 35 of the Texas Motor Vehicle~~  
26 ~~Safety-Responsibility Act)], covering liability arising out of the  
27 ownership, maintenance, or use of any motor vehicle shall be~~

1 delivered or issued for delivery in this state unless coverage is  
2 provided therein or supplemental thereto, [~~in at least the limits~~  
3 ~~described in the Texas Motor Vehicle Safety-Responsibility Act,~~]  
4 under provisions prescribed by the commissioner [~~Board~~], for the  
5 protection of persons insured thereunder who are legally entitled  
6 to recover damages from owners or operators of uninsured or  
7 underinsured motor vehicles because of bodily injury, sickness, or  
8 disease, including death, or property damage resulting therefrom.  
9 The coverages required under this Article shall not be applicable  
10 where any insured named in the policy shall reject the coverage in  
11 writing; provided that unless the named insured thereafter requests  
12 such coverage in writing, such coverage need not be provided in or  
13 supplemental to a renewal policy where the named insured has  
14 rejected the coverage in connection with a policy previously issued  
15 to the named insured [~~him~~] by the same insurer or by an affiliated  
16 insurer.

17 (b) [~~(2)~~] For the purpose of these coverages:

18 (1) "Exemplary damages" has the meaning assigned by  
19 Section 41.001, Civil Practice and Remedies Code.

20 (2) "Noneconomic damages" means damages other than  
21 compensatory damages for pecuniary loss. The term includes damages  
22 for physical pain and mental anguish, loss of consortium,  
23 disfigurement, physical impairment, or loss of companionship and  
24 society. The term does not include exemplary damages.

25 (3) "Uninsured [~~(a) the term "uninsured]~~ motor  
26 vehicle" shall, subject to the terms and conditions of such  
27 coverage, be deemed to include an insured motor vehicle where the

1 liability insurer thereof is unable to make payment with respect to  
2 the legal liability of its insured within the limits specified  
3 therein because of insolvency.

4 (4) "Underinsured [~~(b) The term "underinsured~~] motor  
5 vehicle" means an insured motor vehicle on which there is valid and  
6 collectible liability insurance coverage with limits of liability  
7 for the owner or operator which were originally lower than, or have  
8 been reduced by payment of claims arising from the same accident to,  
9 an amount less than the limit of liability stated in the  
10 underinsured coverage of the insured's policy.

11 (c) The commissioner [~~Board~~] may, in the policy forms  
12 adopted under Article 5.06 of this code, define "uninsured motor  
13 vehicle" to exclude certain motor vehicles whose operators are in  
14 fact uninsured.

15 (d) The portion of a policy form adopted under Article 5.06  
16 of this code to provide coverage under this article shall include  
17 provisions that, regardless of the number of persons insured,  
18 policies or bonds applicable, vehicles involved, or claims made,  
19 the total aggregate limit of liability to any one person who  
20 sustains bodily injury or property damage as the result of any one  
21 occurrence shall not exceed the limit of liability for these  
22 coverages as stated in the policy and the total aggregate limit of  
23 liability to all claimants, if more than one, shall not exceed the  
24 total limit of liability per occurrence as stated in the policy; and  
25 shall provide for the exclusion of the recovery of damages for  
26 bodily injury or property damage or both resulting from the  
27 intentional acts of the insured. The portion of a policy form

1 adopted under Article 5.06 of this code to provide coverage under  
2 this article shall require that in order for the insured to recover  
3 under the uninsured motorist coverages where the owner or operator  
4 of any motor vehicle which causes bodily injury or property damage  
5 to the insured is unknown, actual physical contact must have  
6 occurred between the motor vehicle owned or operated by such  
7 unknown person and the person or property of the insured.

8 (e) Except as provided by Subsection (f) of this article,  
9 the [(3) The] limits of liability for bodily injury, sickness, or  
10 disease, including death, shall be offered to the insured in  
11 amounts not less than those prescribed in Chapter 601,  
12 Transportation Code, [the Texas Motor Vehicle  
13 Safety Responsibility Act] and such higher available limits as may  
14 be desired by the insured, but not greater than the limits of  
15 liability specified in the bodily injury liability provisions of  
16 the insured's policy.

17 (f) The named insured may elect to waive coverage under this  
18 article for recovery of noneconomic and exemplary damages resulting  
19 from bodily injury, sickness, or disease, including death. If an  
20 insured elects to waive coverage under this subsection, Subsection  
21 (e) of this article does not apply to the limits of liability that  
22 are applicable to the coverage provided under the policy issued to  
23 the insured for damages resulting from bodily injury, sickness, or  
24 disease, including death. The commissioner by rule may adopt  
25 minimum limits of liability applicable to those damages. Waiver of  
26 coverage under this subsection does not affect the insured's right  
27 to bring an action for noneconomic and exemplary damages against a

1 responsible party. A written rejection of coverage for noneconomic  
2 and exemplary damages is not effective unless the insurer provides  
3 the insured with a written notice, acknowledged in writing by the  
4 insured at the time of the rejection, disclosing the amount of  
5 potential coverage that is available, the types of damages that  
6 would be covered, and the amount of premium saved because the  
7 coverage is rejected.

8 (g) [~~(4)(a)~~] Coverage for property damage shall be offered  
9 to the insured in amounts not less than those prescribed in Chapter  
10 601, Transportation Code, [the Texas Motor Vehicle  
11 Safety-Responsibility Act] and such higher available limits as may  
12 be desired by the insured, but not greater than limits of liability  
13 specified in the property damage liability provisions of the  
14 insured's policy, subject to a deductible amount of \$250.

15 (h) [~~(b)~~] If the insured has collision coverage and  
16 uninsured or underinsured property damage liability coverage, the  
17 insured may recover under the policy coverage chosen by the  
18 insured. In the event neither coverage is sufficient alone to cover  
19 all damage resulting from a single occurrence, the insured may  
20 recover under both coverages. When recovering under both  
21 coverages, the insured shall designate one coverage as the primary  
22 coverage and pay the deductible applicable to that coverage. The  
23 primary coverage must be exhausted before any recovery is made  
24 under the secondary coverage. If both coverages are utilized in the  
25 payment of damages from a single occurrence, the insured shall not  
26 be required to pay the deductible applicable to the secondary  
27 coverage when the amount of the deductible otherwise applicable to

1 the secondary coverage is the same as or less than the amount of the  
2 deductible applicable to the primary coverage. If both coverages  
3 are utilized in the payment of damages from a single occurrence and  
4 the amount of the deductible otherwise applicable to the secondary  
5 coverage is greater than the amount of the deductible applicable to  
6 the primary coverage, the insured shall be required to pay in  
7 respect of the secondary coverage only the difference between the  
8 amount of the two deductibles. In no event shall the insured  
9 recover under both coverages more than the actual damages suffered.

10 (i) [~~(5)~~] The underinsured motorist coverage shall provide  
11 for payment to the insured of all sums which the insured [~~he~~] shall  
12 be legally entitled to recover as damages from owners or operators  
13 of underinsured motor vehicles because of bodily injury or property  
14 damage in an amount up to the limit specified in the policy, reduced  
15 by the amount recovered or recoverable from the insurer of the  
16 underinsured motor vehicle. If the named insured has waived  
17 coverage under Subsection (f) of this article for recovery of  
18 noneconomic and exemplary damages, the amount paid to the insured  
19 may not include any amount attributable to noneconomic and  
20 exemplary damages.

21 (j) [~~(6)~~] In the event of payment to any person under any  
22 coverage required by this article [~~Section~~] and subject to the  
23 terms and conditions of such coverage, the insurer making such  
24 payment shall, to the extent thereof, be entitled to the proceeds of  
25 any settlement or judgment resulting from the exercise of any  
26 rights of recovery of such person against any person or  
27 organization legally responsible for the bodily injury, sickness or

1 disease, or death for which such payment is made, including the  
2 proceeds recoverable from the assets of the insolvent insurer;  
3 provided, however, whenever an insurer shall make payment under a  
4 policy of insurance issued pursuant to this article [~~Act~~], which  
5 payment is occasioned by the insolvency of an insurer, the insured  
6 of said insolvent insurer shall be given credit in any judgment  
7 obtained against the insured [~~him~~], with respect to the insured's  
8 [~~his~~] legal liability for such damages, to the extent of such  
9 payment, but, subject to Section 12 of Article 21.28-C of this code,  
10 such paying insurer shall have the right to proceed directly  
11 against the insolvent insurer or its receiver, and in pursuance of  
12 such right such paying insurer shall possess any rights which the  
13 insured of the insolvent company might otherwise have had if the  
14 insured of the insolvent insurer had made the payment.

15 (k) [~~(7)~~] If a dispute exists as to whether a motor vehicle  
16 is uninsured, the burden of proof as to that issue shall be upon the  
17 insurer.

18 (1) [~~(8)~~] Notwithstanding Section 15.032, Civil Practice  
19 and Remedies Code, an action against an insurer in relation to the  
20 coverage provided under this article, including an action to  
21 enforce that coverage, may be brought only:

22 (1) [~~(a)~~] in the county in which the policyholder or  
23 beneficiary instituting the suit resided at the time of the  
24 accident; or

25 (2) [~~(b)~~] in the county in which the accident  
26 involving the uninsured or underinsured motor vehicle occurred.

ARTICLE 3. PROOF OF INSURANCE CARDS

SECTION 3.01. Subchapter A, Chapter 5, Insurance Code, is amended by adding Article 5.06-7 to read as follows:

Art. 5.06-7. FORM AND APPEARANCE OF PROOF OF MOTOR VEHICLE LIABILITY INSURANCE. (a) The commissioner shall prescribe by rule a standard appearance and form for a card issued by an insurer as proof of motor vehicle liability insurance prescribed by Section 601.081, Transportation Code.

(b) In prescribing the appearance of a proof of motor vehicle liability insurance card under Subsection (a) of this article, the commissioner shall require an appearance that is:

- (1) difficult to alter, duplicate, or counterfeit; and
- (2) not cost-prohibitive for consumers.

ARTICLE 4. REPEALER

SECTION 4.01. Section 601.193, Transportation Code, is repealed.

ARTICLE 5. TRANSITION; EFFECTIVE DATE

SECTION 5.01. The change in law made by this Act to Chapter 601, Transportation Code, applies only to punishment for an offense committed on or after the effective date of this Act. For purposes of this section, an offense is committed before the effective date of this Act if any element of the offense occurs before that date.

SECTION 5.02. Article 5.06-1, Insurance Code, as amended by this Act, applies only to a motor vehicle liability insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2004. A policy that is delivered, issued for delivery, or renewed before January 1, 2004, is governed by the law

1 as it existed immediately before the effective date of this Act, and  
2 that law is continued in effect for that purpose.

3 SECTION 5.03. (a) Except as provided by Subsection (b) of  
4 this section, this Act takes effect September 1, 2003.

5 (b) Article 1 of this Act takes effect January 1, 2005.