

1-1 By: Bivins S.B. No. 422
1-2 (In the Senate - Filed February 10, 2003; February 17, 2003,
1-3 read first time and referred to Committee on Business and Commerce;
1-4 April 7, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 8, Nays 0; April 7, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 422 By: Armbrister

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to requirements regarding motor vehicle insurance and
1-11 proof of financial responsibility; providing penalties.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 ARTICLE 1. FINANCIAL RESPONSIBILITY REQUIREMENTS

1-14 SECTION 1.01. Chapter 601, Transportation Code, is amended
1-15 by adding Subchapter N to read as follows:

1-16 SUBCHAPTER N. VERIFICATION OF COMPLIANCE WITH AND ENFORCEMENT
1-17 OF FINANCIAL RESPONSIBILITY REQUIREMENTS

1-18 Sec. 601.501. DEFINITION. In this subchapter,
1-19 "verification date" means the date on which the Texas Department of
1-20 Transportation mails a written request to an owner of a motor
1-21 vehicle requiring the owner to state whether the owner has
1-22 established financial responsibility in accordance with Section
1-23 601.051(a).

1-24 Sec. 601.502. VERIFICATION OF ESTABLISHMENT OF FINANCIAL
1-25 RESPONSIBILITY THROUGH RANDOM SAMPLING. (a) The Texas Department
1-26 of Transportation or an agent of that department shall randomly
1-27 select samples of registrations of motor vehicles subject to this
1-28 chapter, and may select samples of owners of motor vehicles subject
1-29 to this chapter, to verify whether an owner who is selected or whose
1-30 motor vehicle is selected has established financial responsibility
1-31 in accordance with Section 601.051(a). The Department of Public
1-32 Safety shall provide the Texas Department of Transportation access
1-33 to any information that will allow the Texas Department of
1-34 Transportation to comply with this subsection.

1-35 (b) A sample selected under this section may not be
1-36 classified on the basis of the owner's race, color, religion, sex,
1-37 national origin, age, marital status, physical or mental
1-38 disability, economic status, or geographic location.

1-39 (c) In addition to the general random sampling of motor
1-40 vehicle registrations, the Texas Department of Transportation may
1-41 randomly select other persons who own a registered motor vehicle to
1-42 verify that the person has established financial responsibility,
1-43 including a person:

1-44 (1) who, during the four-year period preceding the
1-45 date of selection, has been convicted of a violation of Section
1-46 601.191, 601.195, 601.196, as it existed before repeal, or 601.506,
1-47 including a violation that occurred while the person was operating
1-48 a motor vehicle owned by another person; or

1-49 (2) whose driver's license or motor vehicle
1-50 registration has been suspended during the four-year period
1-51 preceding the date of selection.

1-52 (d) The Texas Department of Transportation shall send to the
1-53 owner of a randomly selected motor vehicle, or to a randomly
1-54 selected motor vehicle owner, a request for information about the
1-55 motor vehicle and the owner's method of establishing financial
1-56 responsibility. The request must require the owner to state
1-57 whether the owner has, as of the verification date, established
1-58 financial responsibility in accordance with Section 601.051(a).

1-59 (e) The Texas Department of Transportation:

1-60 (1) shall adopt rules as necessary to implement this
1-61 subchapter; and

1-62 (2) by rule shall:

1-63 (A) establish the frequency of sample selection;

2-1 and

2-2 (B) prescribe:

2-3 (i) the methods employed for the random

2-4 selection of samples and the procedures necessary for

2-5 implementation of the verification process, including the method of

2-6 sending the verification request, which may include certified mail,

2-7 return receipt requested;

2-8 (ii) the form for verification of financial

2-9 responsibility; and

2-10 (iii) the information to be requested in

2-11 the prescribed form.

2-12 (f) The Texas Department of Transportation may require the

2-13 information provided by an owner to include a statement by the owner

2-14 that the owner had, as of the verification date, established

2-15 financial responsibility:

2-16 (1) through liability insurance under Subchapter D,

2-17 including:

2-18 (A) the name and address of the insurer;

2-19 (B) the number of the insurance policy; and

2-20 (C) the expiration date of the insurance

2-21 coverage;

2-22 (2) by filing a surety bond with the Department of

2-23 Public Safety under Section 601.121, including:

2-24 (A) the name and address of the company issuing

2-25 the bond;

2-26 (B) the identification number of the bond; and

2-27 (C) the expiration date of the bond;

2-28 (3) by depositing cash or securities with the

2-29 comptroller under Section 601.122, including a copy of the

2-30 certificate issued by the comptroller showing compliance;

2-31 (4) by depositing cash or a cashier's check with the

2-32 county judge of the county in which the motor vehicle is registered

2-33 under Section 601.123, including a copy of the certificate issued

2-34 by the county judge showing compliance; or

2-35 (5) through self-insurance under Section 601.124,

2-36 including a copy of the certificate of self-insurance issued by the

2-37 Department of Public Safety.

2-38 (g) Not later than the 30th day after the verification date,

2-39 the owner to whom the notice is sent shall furnish the requested

2-40 information to the Texas Department of Transportation in the form

2-41 prescribed by that department, accompanied by the owner's signed

2-42 affirmation that the information is true and correct.

2-43 (h) If the owner responds to the request for information by

2-44 asserting that the owner had, as of the verification date,

2-45 established financial responsibility in accordance with a method

2-46 authorized by Section 601.051(a), the Texas Department of

2-47 Transportation may conduct a verification investigation as

2-48 provided by Section 601.503.

2-49 Sec. 601.503. VERIFICATION INVESTIGATION. (a) To verify a

2-50 response received from an owner under Section 601.502, the Texas

2-51 Department of Transportation or an agent of that department may

2-52 furnish necessary information to the insurer, surety, or officer

2-53 named in the response. Not later than the 30th day after the date of

2-54 receipt of the information, the insurer, surety, or officer shall

2-55 inform the Texas Department of Transportation whether, as of the

2-56 verification date, financial responsibility had been established

2-57 for the affected motor vehicle in accordance with Section

2-58 601.051(a). An insurer that does not comply with this subsection is

2-59 subject to an administrative penalty under Chapter 84, Insurance

2-60 Code.

2-61 (b) If the response received from an owner under Section

2-62 601.502 states that financial responsibility has been established

2-63 through self-insurance, the Texas Department of Transportation

2-64 shall examine the records of the Department of Public Safety to

2-65 verify that a certificate of self-insurance has been issued in

2-66 accordance with Section 601.124.

2-67 Sec. 601.504. CIVIL PENALTY; WARNING NOTICE. (a) If an

2-68 owner responds under Section 601.502 that the owner has not

2-69 established financial responsibility or the owner fails to respond

3-1 in a timely manner, or if the Texas Department of Transportation
 3-2 otherwise determines that an owner has registered or maintained the
 3-3 registration of a motor vehicle without establishing financial
 3-4 responsibility in accordance with Section 601.051(a):

3-5 (1) the owner is liable to the state for a civil
 3-6 penalty of \$250; and

3-7 (2) the Texas Department of Transportation shall mail
 3-8 to the owner a warning stating that:

3-9 (A) the owner has 30 days after the date the
 3-10 warning is sent to provide the evidence of financial
 3-11 responsibility; and

3-12 (B) if the owner does not timely comply with
 3-13 Paragraph (A), the registration of the motor vehicle will be
 3-14 terminated.

3-15 (b) If an owner of a motor vehicle has not provided evidence
 3-16 of financial responsibility to the Texas Department of
 3-17 Transportation within the 30 days after the date the warning is
 3-18 sent, the Texas Department of Transportation shall terminate the
 3-19 registration for the motor vehicle. A motor vehicle for which
 3-20 registration has been terminated may not be registered by the owner
 3-21 or another person unless the civil penalty provided by this section
 3-22 has been paid.

3-23 (c) Each notice or warning sent under this section must
 3-24 include, in English and Spanish, a clear and reasonably complete
 3-25 statement of an owner's rights and responsibilities under this
 3-26 chapter.

3-27 (d) From the civil penalties collected under this chapter,
 3-28 the Texas Department of Transportation shall recover its costs in
 3-29 implementing and administering the verification program under this
 3-30 subchapter. The Texas Department of Transportation shall deposit
 3-31 any amounts collected that exceed the administrative costs of that
 3-32 department under this subchapter to the credit of the general
 3-33 revenue fund.

3-34 Sec. 601.505. REGISTRATION OF MOTOR VEHICLE FOR WHICH
 3-35 REGISTRATION TERMINATED. (a) Except as provided by Subsection
 3-36 (b), a motor vehicle for which registration is terminated under
 3-37 Section 601.504(b) may not be registered unless the owner submits
 3-38 with the application for registration:

3-39 (1) the \$250 civil penalty provided by Section
 3-40 601.504(a), if the civil penalty has not been previously paid; and

3-41 (2) the registration fee applicable to the vehicle and
 3-42 any other fee required by law for registration of the vehicle.

3-43 (b) The Texas Department of Transportation shall reinstate
 3-44 the terminated registration of a motor vehicle without payment of
 3-45 any fee under Subsection (a)(2) if before the end of the
 3-46 registration period during which the registration was terminated
 3-47 the owner of the motor vehicle presents evidence of financial
 3-48 responsibility that:

3-49 (1) complies with Section 601.051(a); and
 3-50 (2) was in effect on the verification date and is in
 3-51 effect on the date of application for reinstatement.

3-52 Sec. 601.506. DISPLAY OF FALSE PROOF OF FINANCIAL
 3-53 RESPONSIBILITY; OFFENSE. (a) A person commits an offense if the
 3-54 person provides evidence of financial responsibility to a peace
 3-55 officer, as defined by Article 2.12, Code of Criminal Procedure,
 3-56 court, or officer of the court knowing that financial
 3-57 responsibility has not been established as required under Section
 3-58 601.051(a) or that the evidence of financial responsibility is
 3-59 illegally altered, counterfeit, or otherwise invalid.

3-60 (b) If a peace officer issues a citation to a motor vehicle
 3-61 operator for displaying invalid evidence of financial
 3-62 responsibility, the officer shall confiscate the invalid evidence
 3-63 of financial responsibility for presentation in court.

3-64 (c) An offense under this section is punishable by a fine of
 3-65 not less than \$500 or more than \$750.

3-66 Sec. 601.507. USE OF AGENTS. The Texas Department of
 3-67 Transportation may submit requests for proposals for contracts with
 3-68 private vendors to perform the random sampling and the verification
 3-69 investigations required under this subchapter as an agent of that

4-1 department. The Texas Department of Transportation may enter into
4-2 contracts as necessary to implement the use of agents.

4-3 SECTION 1.02. Section 601.051, Transportation Code, is
4-4 amended to read as follows:

4-5 Sec. 601.051. REQUIREMENT OF FINANCIAL RESPONSIBILITY.

4-6 (a) A person may not operate a motor vehicle in this state unless
4-7 financial responsibility is established for that vehicle through:

4-8 (1) a motor vehicle liability insurance policy that
4-9 complies with Subchapter D;

4-10 (2) a surety bond filed under Section 601.121;

4-11 (3) a deposit under Section 601.122;

4-12 (4) a deposit under Section 601.123; or

4-13 (5) self-insurance under Section 601.124.

4-14 (b) An owner of a motor vehicle may not permit another
4-15 person to operate the motor vehicle in this state unless financial
4-16 responsibility is established for that vehicle and evidenced
4-17 through a method described by Subsection (a).

4-18 SECTION 1.03. Section 601.191, Transportation Code, is
4-19 amended to read as follows:

4-20 Sec. 601.191. OPERATION OF MOTOR VEHICLE IN VIOLATION OF
4-21 FINANCIAL RESPONSIBILITY REQUIREMENTS [~~MOTOR VEHICLE LIABILITY~~
4-22 ~~INSURANCE REQUIREMENT~~]; OFFENSE. (a) A person commits an offense
4-23 if the person operates a motor vehicle or permits another person to
4-24 operate a motor vehicle in violation of Section 601.051.

4-25 (b) Except as provided by Subsection [~~Subsections (c) and~~
4-26 (d)], an offense under this section is a misdemeanor punishable by a
4-27 fine of not less than \$500 [~~\$175~~] or more than \$1,000 [~~\$350~~].

4-28 (c) It is a defense to prosecution under this section that
4-29 the person charged with an offense produces in court satisfactory
4-30 evidence that, at the time of the alleged offense, the owner or
4-31 operator had established financial responsibility in accordance
4-32 with Section 601.051(a). [~~If a person has been previously~~
4-33 ~~convicted of an offense under this section, an offense under this~~
4-34 ~~section is a misdemeanor punishable by a fine of not less than \$350~~
4-35 ~~or more than \$1,000.~~]

4-36 (d) If the court determines that a person who has not been
4-37 previously convicted of an offense under this section is
4-38 economically unable to pay the fine, the court may reduce the fine
4-39 to less than \$500 [~~\$175~~].

4-40 SECTION 1.04. Section 601.195, Transportation Code, is
4-41 amended by adding Subsection (c) to read as follows:

4-42 (c) It is a defense to prosecution under this section that
4-43 the person charged with an offense produces in court satisfactory
4-44 evidence that, at the time of the alleged offense, the owner or
4-45 operator had established financial responsibility in accordance
4-46 with Section 601.051(a).

4-47 SECTION 1.05. In performing sample selection under Section
4-48 601.502, Transportation Code, as added by this Act, the Texas
4-49 Department of Transportation shall ensure that at least 500,000
4-50 samples are selected on or before September 1, 2005.

4-51 SECTION 1.06. (a) In cooperation with the Texas Department
4-52 of Insurance and the Department of Public Safety of the State of
4-53 Texas, the Texas Department of Transportation shall conduct an
4-54 evaluation of the implementation and operation of the verification
4-55 program adopted under Subchapter N, Chapter 601, Transportation
4-56 Code, as added by this Act, and of the effectiveness of the
4-57 verification program in increasing compliance with the financial
4-58 responsibility requirements established under Subchapter C,
4-59 Chapter 601, Transportation Code. The evaluation must include:

4-60 (1) a computation, by year, of the number of persons
4-61 determined by the Texas Department of Transportation through the
4-62 application of the verification program to be driving without
4-63 compliance with the financial responsibility requirements
4-64 established under Subchapter C, Chapter 601, Transportation Code;
4-65 and

4-66 (2) the annual effect of the program, as determined by
4-67 the Texas Department of Insurance, on the rate for uninsured
4-68 motorist insurance coverage under Article 5.06-1, Insurance Code.

4-69 (b) The Texas Department of Transportation shall enter into

5-1 contracts, memoranda of understanding, or interagency agreements
5-2 as necessary to implement this section.

5-3 (c) The Texas Department of Transportation shall report the
5-4 results of the evaluation conducted under this section to the
5-5 legislature not later than February 1, 2011. The department shall
5-6 provide written copies of the report to the governor, the
5-7 lieutenant governor, and the speaker of the house of
5-8 representatives.

5-9 ARTICLE 2. UNINSURED AND UNDERINSURED MOTORIST COVERAGE

5-10 SECTION 2.01. Article 5.06-1, Insurance Code, is amended to
5-11 read as follows:

5-12 Art. 5.06-1. UNINSURED OR UNDERINSURED MOTORIST COVERAGE.
5-13 (a) ~~[(1)]~~ No automobile liability insurance, ~~[(4)]~~including
5-14 insurance issued through the Texas Automobile Insurance Plan
5-15 Association ~~[pursuant to an Assigned Risk Plan established under~~
5-16 ~~authority of Section 35 of the Texas Motor Vehicle~~
5-17 ~~Safety-Responsibility Act)]~~, covering liability arising out of the
5-18 ownership, maintenance, or use of any motor vehicle shall be
5-19 delivered or issued for delivery in this state unless coverage is
5-20 provided therein or supplemental thereto, ~~[in at least the limits~~
5-21 ~~described in the Texas Motor Vehicle Safety-Responsibility Act,~~
5-22 under provisions prescribed by the commissioner ~~[Board]~~, for the
5-23 protection of persons insured thereunder who are legally entitled
5-24 to recover damages from owners or operators of uninsured or
5-25 underinsured motor vehicles because of bodily injury, sickness, or
5-26 disease, including death, or property damage resulting therefrom.
5-27 The coverages required under this Article shall not be applicable
5-28 where any insured named in the policy shall reject the coverage in
5-29 writing; provided that unless the named insured thereafter requests
5-30 such coverage in writing, such coverage need not be provided in or
5-31 supplemental to a renewal policy where the named insured has
5-32 rejected the coverage in connection with a policy previously issued
5-33 to the named insured ~~[him]~~ by the same insurer or by an affiliated
5-34 insurer.

5-35 (b) ~~[(2)]~~ For the purpose of these coverages:

5-36 (1) "Exemplary damages" has the meaning assigned by
5-37 Section 41.001, Civil Practice and Remedies Code.

5-38 (2) "Noneconomic damages" means damages other than
5-39 compensatory damages for pecuniary loss. The term includes damages
5-40 for physical pain and mental anguish, loss of consortium,
5-41 disfigurement, physical impairment, or loss of companionship and
5-42 society. The term does not include exemplary damages.

5-43 (3) "Uninsured ~~[(a) the term "uninsured]~~ motor
5-44 vehicle" shall, subject to the terms and conditions of such
5-45 coverage, be deemed to include an insured motor vehicle where the
5-46 liability insurer thereof is unable to make payment with respect to
5-47 the legal liability of its insured within the limits specified
5-48 therein because of insolvency.

5-49 (4) "Underinsured ~~[(b) The term "underinsured]~~ motor
5-50 vehicle" means an insured motor vehicle on which there is valid and
5-51 collectible liability insurance coverage with limits of liability
5-52 for the owner or operator which were originally lower than, or have
5-53 been reduced by payment of claims arising from the same accident to,
5-54 an amount less than the limit of liability stated in the
5-55 underinsured coverage of the insured's policy.

5-56 (c) The commissioner ~~[Board]~~ may, in the policy forms
5-57 adopted under Article 5.06 of this code, define "uninsured motor
5-58 vehicle" to exclude certain motor vehicles whose operators are in
5-59 fact uninsured.

5-60 (d) The portion of a policy form adopted under Article 5.06
5-61 of this code to provide coverage under this article shall include
5-62 provisions that, regardless of the number of persons insured,
5-63 policies or bonds applicable, vehicles involved, or claims made,
5-64 the total aggregate limit of liability to any one person who
5-65 sustains bodily injury or property damage as the result of any one
5-66 occurrence shall not exceed the limit of liability for these
5-67 coverages as stated in the policy and the total aggregate limit of
5-68 liability to all claimants, if more than one, shall not exceed the
5-69 total limit of liability per occurrence as stated in the policy; and

6-1 shall provide for the exclusion of the recovery of damages for
 6-2 bodily injury or property damage or both resulting from the
 6-3 intentional acts of the insured. The portion of a policy form
 6-4 adopted under Article 5.06 of this code to provide coverage under
 6-5 this article shall require that in order for the insured to recover
 6-6 under the uninsured motorist coverages where the owner or operator
 6-7 of any motor vehicle which causes bodily injury or property damage
 6-8 to the insured is unknown, actual physical contact must have
 6-9 occurred between the motor vehicle owned or operated by such
 6-10 unknown person and the person or property of the insured.

6-11 (e) Except as provided by Subsection (f) of this article,
 6-12 the [~~(3)~~ ~~The~~] limits of liability for bodily injury, sickness, or
 6-13 disease, including death, shall be offered to the insured in
 6-14 amounts not less than those prescribed in Chapter 601,
 6-15 Transportation Code, [~~the Texas Motor Vehicle~~
 6-16 ~~Safety-Responsibility Act~~] and such higher available limits as may
 6-17 be desired by the insured, but not greater than the limits of
 6-18 liability specified in the bodily injury liability provisions of
 6-19 the insured's policy.

6-20 (f) The named insured may elect to waive coverage under this
 6-21 article for recovery of noneconomic and exemplary damages resulting
 6-22 from bodily injury, sickness, or disease, including death. If an
 6-23 insured elects to waive coverage under this subsection, Subsection
 6-24 (e) of this article does not apply to the limits of liability that
 6-25 are applicable to the coverage provided under the policy issued to
 6-26 the insured for damages resulting from bodily injury, sickness, or
 6-27 disease, including death. The commissioner by rule may adopt
 6-28 minimum limits of liability applicable to those damages. Waiver of
 6-29 coverage under this subsection does not affect the insured's right
 6-30 to bring an action for noneconomic and exemplary damages against a
 6-31 responsible party. A written rejection of coverage for noneconomic
 6-32 and exemplary damages is not effective unless the insurer provides
 6-33 the insured with a written notice, acknowledged in writing by the
 6-34 insured at the time of the rejection, disclosing the amount of
 6-35 potential coverage that is available, the types of damages that
 6-36 would be covered, and the amount of premium saved because the
 6-37 coverage is rejected.

6-38 (g) [~~(4)~~ ~~(a)~~] Coverage for property damage shall be offered
 6-39 to the insured in amounts not less than those prescribed in Chapter
 6-40 601, Transportation Code, [~~the Texas Motor Vehicle~~
 6-41 ~~Safety-Responsibility Act~~] and such higher available limits as may
 6-42 be desired by the insured, but not greater than limits of liability
 6-43 specified in the property damage liability provisions of the
 6-44 insured's policy, subject to a deductible amount of \$250.

6-45 (h) [~~(b)~~] If the insured has collision coverage and
 6-46 uninsured or underinsured property damage liability coverage, the
 6-47 insured may recover under the policy coverage chosen by the
 6-48 insured. In the event neither coverage is sufficient alone to cover
 6-49 all damage resulting from a single occurrence, the insured may
 6-50 recover under both coverages. When recovering under both
 6-51 coverages, the insured shall designate one coverage as the primary
 6-52 coverage and pay the deductible applicable to that coverage. The
 6-53 primary coverage must be exhausted before any recovery is made
 6-54 under the secondary coverage. If both coverages are utilized in the
 6-55 payment of damages from a single occurrence, the insured shall not
 6-56 be required to pay the deductible applicable to the secondary
 6-57 coverage when the amount of the deductible otherwise applicable to
 6-58 the secondary coverage is the same as or less than the amount of the
 6-59 deductible applicable to the primary coverage. If both coverages
 6-60 are utilized in the payment of damages from a single occurrence and
 6-61 the amount of the deductible otherwise applicable to the secondary
 6-62 coverage is greater than the amount of the deductible applicable to
 6-63 the primary coverage, the insured shall be required to pay in
 6-64 respect of the secondary coverage only the difference between the
 6-65 amount of the two deductibles. In no event shall the insured
 6-66 recover under both coverages more than the actual damages suffered.

6-67 (i) [~~(5)~~] The underinsured motorist coverage shall provide
 6-68 for payment to the insured of all sums which the insured [~~he~~] shall
 6-69 be legally entitled to recover as damages from owners or operators

7-1 of underinsured motor vehicles because of bodily injury or property
 7-2 damage in an amount up to the limit specified in the policy, reduced
 7-3 by the amount recovered or recoverable from the insurer of the
 7-4 underinsured motor vehicle. If the named insured has waived
 7-5 coverage under Subsection (f) of this article for recovery of
 7-6 noneconomic and exemplary damages, the amount paid to the insured
 7-7 may not include any amount attributable to noneconomic and
 7-8 exemplary damages.

7-9 (j) [~~(6)~~] In the event of payment to any person under any
 7-10 coverage required by this article [~~Section~~] and subject to the
 7-11 terms and conditions of such coverage, the insurer making such
 7-12 payment shall, to the extent thereof, be entitled to the proceeds of
 7-13 any settlement or judgment resulting from the exercise of any
 7-14 rights of recovery of such person against any person or
 7-15 organization legally responsible for the bodily injury, sickness or
 7-16 disease, or death for which such payment is made, including the
 7-17 proceeds recoverable from the assets of the insolvent insurer;
 7-18 provided, however, whenever an insurer shall make payment under a
 7-19 policy of insurance issued pursuant to this article [~~Act~~], which
 7-20 payment is occasioned by the insolvency of an insurer, the insured
 7-21 of said insolvent insurer shall be given credit in any judgment
 7-22 obtained against the insured [~~him~~], with respect to the insured's
 7-23 [~~his~~] legal liability for such damages, to the extent of such
 7-24 payment, but, subject to Section 12 of Article 21.28-C of this code,
 7-25 such paying insurer shall have the right to proceed directly
 7-26 against the insolvent insurer or its receiver, and in pursuance of
 7-27 such right such paying insurer shall possess any rights which the
 7-28 insured of the insolvent company might otherwise have had if the
 7-29 insured of the insolvent insurer had made the payment.

7-30 (k) [~~(7)~~] If a dispute exists as to whether a motor vehicle
 7-31 is uninsured, the burden of proof as to that issue shall be upon the
 7-32 insurer.

7-33 (l) [~~(8)~~] Notwithstanding Section 15.032, Civil Practice
 7-34 and Remedies Code, an action against an insurer in relation to the
 7-35 coverage provided under this article, including an action to
 7-36 enforce that coverage, may be brought only:

7-37 (1) [~~(a)~~] in the county in which the policyholder or
 7-38 beneficiary instituting the suit resided at the time of the
 7-39 accident; or

7-40 (2) [~~(b)~~] in the county in which the accident
 7-41 involving the uninsured or underinsured motor vehicle occurred.

7-42 ARTICLE 3. PROOF OF INSURANCE CARDS

7-43 SECTION 3.01. Subchapter A, Chapter 5, Insurance Code, is
 7-44 amended by adding Article 5.06-7 to read as follows:

7-45 Art. 5.06-7. FORM AND APPEARANCE OF PROOF OF MOTOR VEHICLE
 7-46 LIABILITY INSURANCE. (a) The commissioner shall prescribe by rule
 7-47 a standard appearance and form for a card issued by an insurer as
 7-48 proof of motor vehicle liability insurance prescribed by Section
 7-49 601.081, Transportation Code.

7-50 (b) In prescribing the appearance of a proof of motor
 7-51 vehicle liability insurance card under Subsection (a) of this
 7-52 article, the commissioner shall require an appearance that is:

7-53 (1) difficult to alter, duplicate, or counterfeit; and
 7-54 (2) not cost-prohibitive for consumers.

7-55 ARTICLE 4. REPEALER

7-56 SECTION 4.01. Section 601.193, Transportation Code, is
 7-57 repealed.

7-58 ARTICLE 5. TRANSITION; EFFECTIVE DATE

7-59 SECTION 5.01. The change in law made by this Act to Chapter
 7-60 601, Transportation Code, applies only to punishment for an offense
 7-61 committed on or after the effective date of this Act. For purposes
 7-62 of this section, an offense is committed before the effective date
 7-63 of this Act if any element of the offense occurs before that date.

7-64 SECTION 5.02. Article 5.06-1, Insurance Code, as amended by
 7-65 this Act, applies only to a motor vehicle liability insurance
 7-66 policy that is delivered, issued for delivery, or renewed on or
 7-67 after January 1, 2004. A policy that is delivered, issued for
 7-68 delivery, or renewed before January 1, 2004, is governed by the law
 7-69 as it existed immediately before the effective date of this Act, and

8-1 that law is continued in effect for that purpose.
8-2 SECTION 5.03. (a) Except as provided by Subsection (b) of
8-3 this section, this Act takes effect September 1, 2003.
8-4 (b) Article 1 of this Act takes effect January 1, 2005.

8-5

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