

By: Van de Putte

S.B. No. 1843

A BILL TO BE ENTITLED

AN ACT

relating to coverage of drivers under a personal automobile insurance policy.

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

SECTION 1. Subchapter B, Chapter 1952, Insurance Code, is amended by adding Section 1952.059 to read as follows:

Sec. 1952.059. REQUIRED PROVISION: COVERAGE FOR UNNAMED DRIVERS. (a) In addition to applying to the insurers subject to this chapter under Section 1952.001, this section applies to a county mutual insurance company.

(b) Except as provided by Subsections (c), (d), and (e), an insurer may not deliver or issue for delivery in this state a personal automobile liability insurance policy, including a policy provided through the Texas Automobile Insurance Plan Association under Chapter 2151, that covers liability arising out of the ownership, maintenance, or use of any motor vehicle unless the policy covers all family members of the named insured residing in the named insured's household and any other residents of the named insured's household.

(c) Subsection (b) does not apply if an insurer obtains the named insured's rejection of the coverage otherwise required under that subsection, in writing, for all family members of the named insured residing in the named insured's household and any other residents of the named insured's household as provided by this

1 subsection. The rejection document must specifically identify each
2 person who resides in the named insured's household who is not
3 covered under the policy and include the named insured's
4 acknowledgement that the policy does not cover the persons
5 identified in the rejection document. The rejection document must
6 also include a notice that any other resident of the named insured's
7 household, regardless of whether the resident is a member of the
8 named insured's family, who is not specifically identified in the
9 rejection document is not covered under the policy. Unless the
10 named insured subsequently requests in writing the coverage
11 rejected under this subsection, the insurer is not required to
12 provide that coverage in a renewal or reinstated insurance policy
13 if the named insured rejected the coverage in writing in connection
14 with an insurance policy issued to the insured by the same insurer
15 or by an affiliated insurer.

16 (d) A policy issued under Subsection (c) must contain a
17 notice with each renewal of the policy, or delivery of evidence of
18 renewal, in at least 14-point type, that specifically identifies
19 the family members residing in the named insured's household and
20 other residents of the named insured's household who are not
21 covered under the policy and a statement that any other resident of
22 the named insured's household, regardless of whether the resident
23 is a member of the named insured's family, who is not specifically
24 identified in the notice is not covered under the policy.

25 (e) This section does not prohibit an insurer from excluding
26 from coverage under the policy only the family members residing in
27 the named insured's household or other residents of the named

1 insured's household who are specifically named as being excluded.

2 An exclusion under this subsection must be in writing and must:

3 (1) include the name of the person excluded from
4 coverage;

5 (2) be signed by the named insured; and

6 (3) be attached to the policy.

7 SECTION 2. The change in law made by this Act applies only
8 to an insurance policy delivered, issued for delivery, or renewed
9 on or after January 1, 2010. A policy delivered, issued for
10 delivery, or renewed before January 1, 2010, is governed by the law
11 in effect immediately before the effective date of this Act, and
12 that law is continued in effect for that purpose.

13 SECTION 3. This Act takes effect September 1, 2009.