

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) A personal automobile insurance policy that covers liability arising out of ownership, maintenance, or use of a motor vehicle by a named insured must contain a provision to extend liability coverage to each driver who has a reasonable belief that the driver is entitled to use the covered motor vehicle.

(b) This section does not prohibit the named insured from excluding specific persons from coverage under the policy. An exclusion under this section must be in writing and must:

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

(2) be signed by the named insured; and

(3) be attached to the policy.

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

1 that law is continued in effect for that purpose.

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