

By: Gonzalez

H.B. No. 1949

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the provision of notice by an insurer to the Department
3 of Public Safety that a motor vehicle liability insurance policy is
4 no longer in effect and related driver's license suspensions.

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

6 SECTION 1. Section 601.086, Transportation Code, is amended
7 to read as follows:

8 Sec. 601.086. [~~RESPONSE OF~~] INSURANCE COMPANY NOTICE IF
9 POLICY NOT IN EFFECT. Not later than the seventh day after the date
10 a motor vehicle liability insurance policy expires or is
11 terminated, the [An] insurance company that issued the policy [is
12 notified by the department of an accident in connection with which
13 an owner or operator has reported a motor vehicle liability
14 insurance policy with the company] shall advise the department of
15 the date on which the [if a] policy expired or was terminated [is
16 not in effect as reported].

17 SECTION 2. Section 601.231, Transportation Code, is amended
18 by adding Subsections (c), (d), and (e) to read as follows:

19 (c) Except as provided by Subsection (d), on the 14th day
20 after the date an individual's motor vehicle liability insurance
21 policy terminates, as indicated in a notice provided to the
22 department by an insurance company under Section 601.086, the
23 individual's driver's license is suspended.

24 (d) An individual's license is not suspended under

1 Subsection (c) if the individual has provided the department with
2 evidence of financial responsibility from a source other than the
3 insurance policy referenced by the notice before the suspension
4 date prescribed by Subsection (c) or establishes that the
5 individual is not required to maintain financial responsibility.

6 (e) The department shall reinstate a license suspended
7 under Subsection (c) once the individual whose license was
8 suspended provides the department with evidence of financial
9 responsibility or establishes that the individual is not required
10 to maintain financial responsibility.

11 SECTION 3. This Act takes effect September 1, 2011.