

By: Thompson of Brazoria, Miller of Comal,
et al.

H.B. No. 1773

A BILL TO BE ENTITLED

1 AN ACT
2 relating to named driver insurance policies and certain related
3 exclusions.

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

5 SECTION 1. Chapter 1952, Insurance Code, is amended by
6 adding Subchapter H to read as follows:

7 SUBCHAPTER H. NAMED DRIVER POLICIES

8 Sec. 1952.351. DEFINITIONS. In this subchapter:

9 (1) "Named driver exclusion" means a provision or
10 endorsement of an automobile insurance policy that excludes
11 specified drivers from coverage under the policy.

12 (2) "Named driver policy" means an automobile
13 insurance policy that provides coverage only for drivers
14 specifically named on the policy and not for all individuals
15 residing in a named insured's household, and that may or may not
16 provide coverage for drivers using a vehicle covered by the policy
17 with permission and not residing in the insured's household. The
18 term includes an automobile insurance policy that has been endorsed
19 to provide coverage only for drivers specifically named on the
20 policy.

21 Sec. 1952.352. APPLICABILITY. This subchapter applies to
22 an insurer writing automobile insurance in this state, including an
23 insurance company, corporation, reciprocal or interinsurance
24 exchange, mutual insurance company, capital stock company,

1 association, county mutual insurance company, a Lloyd's plan, and
2 any other insurer.

3 Sec. 1952.353. NAMED DRIVER POLICIES PROHIBITED. (a) An
4 insurer may not deliver, issue for delivery, or renew a named driver
5 policy.

6 (b) An insurer may use a named driver exclusion if the
7 exclusion specifically names each excluded driver and does not
8 exclude a class of drivers.

9 Sec. 1952.354. RULES. The commissioner may adopt rules
10 necessary to implement this subchapter.

11 SECTION 2. Section 912.152(a), Insurance Code, is amended
12 to read as follows:

13 (a) A county mutual insurance company is subject to:

- 14 (1) Sections 1952.051-1952.055;
15 (2) Subchapter H, Chapter 1952;
16 (3) [~~(2)~~] Subchapter B, Chapter 2002;
17 (4) [~~(3)~~] Chapter 2301; and
18 (5) [~~(4)~~] Articles 5.06 and 5.35.

19 SECTION 3. Section 1952.001, Insurance Code, is amended to
20 read as follows:

21 Sec. 1952.001. APPLICABILITY OF CHAPTER. Except as
22 provided by Sections [~~Section~~] 1952.201 and 1952.352, this chapter
23 applies to an insurer writing automobile insurance in this state,
24 including an insurance company, corporation, reciprocal or
25 interinsurance exchange, mutual insurance company, association,
26 Lloyd's plan, or other insurer.

27 SECTION 4. The change in law made by this Act applies only

1 to an insurance policy that is delivered, issued for delivery, or
2 renewed on or after January 1, 2014. A policy delivered, issued for
3 delivery, or renewed before January 1, 2014, is governed by the law
4 as it existed immediately before the effective date of this Act, and
5 that law is continued in effect for that purpose.

6 SECTION 5. This Act takes effect September 1, 2013.