

By: Lucio III

H.B. No. 1810

Substitute the following for H.B. No. 1810:

By: Smithee

C.S.H.B. No. 1810

A BILL TO BE ENTITLED

AN ACT

relating to certain exclusions for personal automobile liability insurance.

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

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

SUBCHAPTER H. PERMISSIVE DRIVER AND SPECIFICALLY NAMED DRIVER

EXCLUSIONS

Sec. 1952.351. DEFINITIONS. In this subchapter:

(1) "Permissive driver exclusion" means a provision or endorsement of a personal automobile liability insurance policy that excludes drivers who do not reside in the insured's household and who receive permission from the insured to drive the insured's vehicle from coverage under the policy. The term does not include a provision or endorsement of a personal automobile liability insurance policy that excludes from coverage:

(A) specific named persons; or

(B) family members and residents of the insured's household who are not listed as authorized drivers in a provision or endorsement of the policy.

(2) "Specifically named driver exclusion" means a provision or endorsement of a personal automobile liability insurance policy that excludes specific named persons from coverage under the policy.

1 Sec. 1952.352. APPLICABILITY. This subchapter applies to
2 an insurer writing personal automobile liability insurance in this
3 state, including an insurance company, corporation, reciprocal or
4 interinsurance exchange, mutual insurance company, capital stock
5 company, association, county mutual insurance company, Lloyd's
6 plan, and other insurer.

7 Sec. 1952.353. PERMISSIVE DRIVER EXCLUSIONS PROHIBITED. An
8 insurer may not use a permissive driver exclusion for a personal
9 automobile liability insurance policy delivered, issued for
10 delivery, or renewed in this state.

11 Sec. 1952.354. REQUIRED DISCLOSURE REGARDING SPECIFICALLY
12 NAMED DRIVER EXCLUSIONS. (a) Before accepting any premium or fee
13 for a policy with a specifically named driver exclusion, an agent or
14 insurer must make the following written disclosure to the applicant
15 or insured:

16 WARNING: THIS POLICY DOES NOT PROVIDE COVERAGE FOR
17 INDIVIDUALS SPECIFICALLY NAMED AS EXCLUDED FROM
18 COVERAGE.

19 (b) An agent or insurer that delivers or issues for delivery
20 a policy in this state with a specifically named driver exclusion
21 shall specifically include in the policy and conspicuously identify
22 on the front of any proof of insurance document issued to the
23 insured the required disclosure under Subsection (a).

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

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

27 (1) Sections 1952.051-1952.055;

- (2) Subchapter H, Chapter 1952;
- (3) Subchapter B, Chapter 2002;
- (4) [~~3~~] Chapter 2301; and
- (5) [~~4~~] Articles 5.06 and 5.35.

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

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

SECTION 4. Section 601.081, Transportation Code, is amended to read as follows:

Sec. 601.081. STANDARD PROOF OF MOTOR VEHICLE LIABILITY INSURANCE FORM. (a) In this section, "specifically named driver exclusion" has the meaning assigned by Section 1952.351, Insurance Code.

(b) A standard proof of motor vehicle liability insurance form prescribed by the Texas Department of Insurance must include:

- (1) the name of the insurer;
- (2) the insurance policy number;
- (3) the policy period;
- (4) the name and address of each insured;
- (5) the policy limits or a statement that the coverage of the policy complies with the minimum amounts of motor vehicle liability insurance required by this chapter; [~~and~~]

1 (6) the make and model of each covered vehicle; and
2 (7) for a policy with a specifically named driver
3 exclusion, the required disclosure under Section 1952.354,
4 Insurance Code.

5 SECTION 5. The changes in law made by this Act apply only to
6 a personal automobile liability insurance policy that is delivered,
7 issued for delivery, or renewed on or after January 1, 2014. A
8 policy delivered, issued for delivery, or renewed before January 1,
9 2014, is governed by the law as it existed immediately before the
10 effective date of this Act, and that law is continued in effect for
11 that purpose.

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