

AN ACT

relating to coverage of certain persons under an 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 Sections 1952.0515 and 1952.0545 to read as follows:

Sec. 1952.0515. REQUIRED COVERAGE. An agent or insurer, including a county mutual insurance company, may not deliver or issue for delivery in this state a personal automobile insurance policy unless the policy provides at least the minimum coverage specified by Subchapter D, Chapter 601, Transportation Code.

Sec. 1952.0545. REQUIRED DISCLOSURE REGARDING NAMED DRIVER POLICIES; PERSONS IN INSURED'S HOUSEHOLD. (a) In this section, "named driver policy" means an automobile insurance policy that does not provide coverage for an individual residing in a named insured's household specifically unless the individual is named on the policy. The term includes an automobile insurance policy that has been endorsed to provide coverage only for drivers specifically named on the policy.

(b) Before accepting any premium or fee for a named driver policy, an agent or insurer, including a county mutual insurance company, must make the following disclosure, orally and in writing, to the applicant or insured:

1 WARNING: A NAMED DRIVER POLICY DOES NOT PROVIDE
2 COVERAGE FOR INDIVIDUALS RESIDING IN THE INSURED'S
3 HOUSEHOLD THAT ARE NOT NAMED ON THE POLICY.

4 (c) Before accepting any premium or fee for a named driver
5 policy, an agent or insurer, including a county mutual insurance
6 company, must receive a copy of the disclosure described by
7 Subsection (b) that is signed by the applicant or insured.

8 (d) An agent or insurer, including a county mutual insurance
9 company, that delivers or issues for delivery a named driver policy
10 in this state shall specifically include in the policy and
11 conspicuously identify on the front of any proof of insurance
12 document issued to the insured the required disclosure under
13 Subsection (b).

14 (e) The agent or insurer shall require the applicant or
15 insured to confirm contemporaneously in writing the provision of
16 oral disclosure pursuant to Subsection (b).

17 SECTION 2. Section 601.081, Transportation Code, is amended
18 to read as follows:

19 Sec. 601.081. STANDARD PROOF OF MOTOR VEHICLE LIABILITY
20 INSURANCE FORM. (a) In this section, "named driver policy" has
21 the meaning assigned by Section 1952.0545, Insurance Code.

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

- 24 (1) the name of the insurer;
- 25 (2) the insurance policy number;
- 26 (3) the policy period;
- 27 (4) the name and address of each insured;

1 (5) the policy limits or a statement that the coverage
2 of the policy complies with the minimum amounts of motor vehicle
3 liability insurance required by this chapter; [~~and~~]

4 (6) the make and model of each covered vehicle; and

5 (7) for a named driver policy, the required disclosure
6 under Section 1952.0545, Insurance Code.

7 SECTION 3. This Act applies only to an insurance policy that
8 is delivered, issued for delivery, or renewed on or after January 1,
9 2014. A policy delivered, issued for delivery, or renewed before
10 January 1, 2014, is governed by the law as it existed immediately
11 before the effective date of this Act, and that law is continued in
12 effect for that purpose.

13 SECTION 4. This Act takes effect September 1, 2013.

S.B. No. 1567

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 1567 passed the Senate on May 6, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 1567 passed the House on May 22, 2013, by the following vote: Yeas 143, Nays 2, three present not voting.

Chief Clerk of the House

Approved:

Date

Governor