

By: Davis

S.B. No. 1567

A BILL TO BE ENTITLED

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. (a) In this section, "named driver policy" means an automobile insurance policy that provides coverage only for drivers specifically named on the policy and not for individuals residing in a named insured's household. 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 written and oral disclosure to the applicant or insured:

WARNING: A NAMED DRIVER POLICY DOES NOT PROVIDE

1 COVERAGE FOR INDIVIDUALS RESIDING IN THE INSURED'S  
2 HOUSEHOLD THAT ARE NOT NAMED ON THE POLICY.

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

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

13 SECTION 2. Section 601.081, Transportation Code, is amended  
14 to read as follows:

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

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

- 20 (1) the name of the insurer;
- 21 (2) the insurance policy number;
- 22 (3) the policy period;
- 23 (4) the name and address of each insured;
- 24 (5) the policy limits or a statement that the coverage  
25 of the policy complies with the minimum amounts of motor vehicle  
26 liability insurance required by this chapter; ~~and~~
- 27 (6) the make and model of each covered vehicle; and

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

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

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