

By: Davis

S.B. No. 1568

A BILL TO BE ENTITLED

AN ACT

relating to the minimum required term for personal automobile insurance policies used to demonstrate proof of financial responsibility.

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

SECTION 1. Section 1952.054, Insurance Code, is amended to read as follows:

Sec. 1952.054. REQUIRED DISCLOSURES REGARDING CERTAIN SHORT-TERM POLICIES. (a) An insurance policy or other document evidencing proof of purchase of a personal automobile insurance policy written for a term of less than 180 [~~30~~] days may not be used to obtain an original or renewal driver's license, an automobile registration or license plates, or a motor vehicle inspection certificate. An insurance policy or other document described by this subsection must contain the following statement:

TEXAS LAW PROHIBITS USE OF THIS DOCUMENT TO OBTAIN A MOTOR VEHICLE INSPECTION CERTIFICATE, AN ORIGINAL OR RENEWAL DRIVER'S LICENSE, OR AN AUTOMOBILE REGISTRATION OR LICENSE PLATES.

(b) Before accepting any premium or fee for a personal automobile insurance policy or binder for a term of less than 180 [~~30~~] days, an agent or insurer must make the following written disclosure to the applicant or insured:

TEXAS LAW PROHIBITS USE OF THIS POLICY OR BINDER TO

1       OBTAIN A MOTOR VEHICLE INSPECTION CERTIFICATE, AN  
2       ORIGINAL OR RENEWAL DRIVER'S LICENSE, OR AN AUTOMOBILE  
3       REGISTRATION OR LICENSE PLATES.

4       SECTION 2. Section 1952.054, Insurance Code, as amended by  
5 this Act, applies only to a personal automobile insurance policy  
6 that is delivered, issued for delivery, or renewed on or after  
7 January 1, 2014. A personal automobile insurance policy that is  
8 delivered, issued for delivery, or renewed before January 1, 2014,  
9 is covered by the law in effect at the time the policy was  
10 delivered, issued for delivery, or renewed, and that law is  
11 continued in effect for that purpose.

12       SECTION 3. This Act takes effect September 1, 2013.