

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION

April 12, 2013

TO: Honorable John Carona, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: SB1567 by Davis (Relating to coverage of certain persons under an automobile insurance policy.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Insurance Code and Transportation Code relating to coverage of certain persons under an automobile insurance policy. The bill would prohibit an agent or an insurer from issuing an automobile insurance policy, unless the policy provides at least the minimum coverage required by Chapter 601 of the Transportation Code. The bill would require that before an agent or insurer issues a named driver policy that they disclose to the applicant or insured that the policy does not provide coverage for individuals residing in the insured's household that are not named on the policy. The bill would require that the agent or insurer receive a signed copy of the disclosure from the applicant or insured before accepting payment and issuing the policy. The bill further requires that the disclosure be provided on any proof of insurance document provided to the applicant or insured.

Based on information provided by the Texas Department of Insurance, it is assumed that all duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing staff and resources.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: UP, RB, ER