

By: Keough

H.B. No. 318

A BILL TO BE ENTITLED

AN ACT

relating to named driver insurance policies and certain related exclusions.

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. NAMED DRIVER POLICIES

Sec. 1952.351. DEFINITIONS. In this subchapter:

(1) "Named driver exclusion" means a provision or endorsement of an automobile insurance policy that excludes named drivers from coverage under the policy.

(2) "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.

Sec. 1952.352. APPLICABILITY. This subchapter applies to an insurer writing automobile insurance in this state, including an insurance company, corporation, reciprocal or interinsurance exchange, mutual insurance company, capital stock company, association, county mutual insurance company, a Lloyd's plan, and any other insurer.

Sec. 1952.353. NAMED DRIVER POLICIES PROHIBITED. (a) An

1 insurer may not deliver, issue for delivery, or renew a named driver
2 policy.

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

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

6 (1) Sections 1952.051-1952.055;

7 (2) Subchapter H, Chapter 1952;

8 (3) ~~[(2)]~~ Subchapter B, Chapter 2002;

9 (4) ~~[(3)]~~ Chapter 2301; and

10 (5) ~~[(4)]~~ Articles 5.06 and 5.35.

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

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

19 SECTION 4. The change in law made by this Act applies only
20 to an insurance policy that is delivered, issued for delivery, or
21 renewed on or after January 1, 2016. A policy delivered, issued for
22 delivery, or renewed before January 1, 2016, is governed by the law
23 as it existed immediately before the effective date of this Act, and
24 that law is continued in effect for that purpose.

25 SECTION 5. This Act takes effect September 1, 2015.