

By: Sheets

H.B. No. 3203

Substitute the following for H.B. No. 3203:

By: Frullo

C.S.H.B. No. 3203

A BILL TO BE ENTITLED

AN ACT

relating to a named driver policy.

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

SECTION 1. Section 1952.0545, Insurance Code, is amended by amending Subsections (a), (b), (c), and (e) and adding Subsections (f) and (g) to read as follows:

(a) In this section:

(1) "Household" means a unit of individuals living together in the same dwelling, without regard to whether the individuals are related to each other.

(2) [r]"Named [named] driver policy" means a personal [an] automobile owner's insurance policy that does not provide coverage for an individual residing in a named insured's household [specifically] unless the individual is specifically named on the policy. The term includes a personal [an automobile] insurance policy that has been endorsed to provide coverage only for drivers specifically named on the policy. The term does not include:

(1) a named non-owner policy or operator's policy; or

(2) an owner's policy that provides coverage for each individual residing in a named insured's household unless the individual is specifically excluded.

(b) Before accepting the initial ~~[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 or

1 ~~and~~ in writing, to the applicant or insured:

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

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

9           (e) The agent or insurer shall require the applicant or  
10 insured to confirm ~~contemporaneously~~ in writing the provision of  
11 an oral disclosure pursuant to Subsection (b).

12           (f) The agent or insurer is not required to provide the  
13 disclosure in or supplemental to a reinstated or renewal policy if  
14 the named insured has previously acknowledged receipt of the  
15 disclosure in connection with that policy or a personal automobile  
16 insurance policy previously issued to the insured by the same  
17 insurer or an affiliated insurer.

18           (g) A signature required by this section must be an original  
19 or electronic signature executed specifically for each new policy.  
20 An electronic signature must comply with Chapter 322, Business &  
21 Commerce Code, and Chapter 35 of this code.

22           SECTION 2. This Act applies only to an insurance policy that  
23 is delivered, issued for delivery, or renewed on or after the  
24 effective date of this Act. An insurance policy delivered, issued  
25 for delivery, or renewed before the effective date of this Act is  
26 governed by the law as it existed immediately before the effective  
27 date of this Act, and that law is continued in effect for that

1 purpose.

2 SECTION 3. This Act takes effect September 1, 2015.