

By: Sheets

H.B. No. 3203

A BILL TO BE ENTITLED

AN ACT

relating to required disclosures for 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, "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 ~~[and]~~ in writing, to the applicant or insured:

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

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

5 (e) The agent or insurer shall require the applicant or
6 insured to confirm ~~[contemporaneously]~~ in writing the provision of
7 an oral disclosure pursuant to Subsection (b).

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

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

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

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