

By: Estes

S.B. No. 1095

A BILL TO BE ENTITLED

AN ACT

relating to required disclosures regarding named driver automobile insurance policies.

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

SECTION 1. Section 1952.0545, Insurance Code, is amended to read as follows:

Sec. 1952.0545. REQUIRED DISCLOSURE REGARDING NAMED DRIVER POLICIES; PERSONS IN INSURED'S HOUSEHOLD. (a) In this section, "named driver policy" means an automobile insurance policy that does not provide coverage for an individual residing in a named insured's household specifically unless the individual is named on the policy. The term includes an automobile insurance policy that has been endorsed to provide coverage only for drivers specifically named on the policy.

(b) Before accepting 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 and~~] in writing [7] 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.

(c) Before accepting any premium or fee for a named driver policy, an agent or insurer, including a county mutual insurance company, must receive a copy of the disclosure described by

1 Subsection (b) that is signed by the applicant or insured.

2 (d) An agent or insurer, including a county mutual insurance
3 company, that delivers or issues for delivery a named driver policy
4 in this state shall specifically include in the policy and
5 conspicuously identify on the front of any proof of insurance
6 document issued to the insured the required disclosure under
7 Subsection (b).

8 ~~[(c) The agent or insurer shall require the applicant or~~
9 ~~insured to confirm contemporaneously in writing the provision of~~
10 ~~oral disclosure pursuant to Subsection (b).]~~

11 SECTION 2. This Act applies only to an insurance policy that
12 is delivered, issued for delivery, or renewed on or after September
13 1, 2015. A policy delivered, issued for delivery, or renewed before
14 September 1, 2015, is governed by the law as it existed immediately
15 before the effective date of this Act, and that law is continued in
16 effect for that purpose.

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