

By: Hancock

S.B. No. 878

A BILL TO BE ENTITLED

AN ACT

relating to named driver policy disclosure requirements.

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

SECTION 1. Section 1952.0545, Insurance Code, is amended by amending Subsection (b) and adding Subsection (c-1) to read as follows:

(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, 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-1) A signature required by this section must be an original signature or an electronic signature that complies with Chapter 322, Business & Commerce Code, and Chapter 35 of this code.

SECTION 2. Section 1952.0545(e), Insurance Code, is repealed.

SECTION 3. The change in law made by this Act applies only to an insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2018. A policy delivered, issued for delivery, or renewed before January 1, 2018, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

1 SECTION 4. This Act takes effect September 1, 2017.