

By: Lambert, Raney

H.B. No. 3420

Substitute the following for H.B. No. 3420:

By: Lucio III

C.S.H.B. No. 3420

A BILL TO BE ENTITLED

1 AN ACT

2 relating to liability coverage for certain vehicles provided by
3 certain automobile repair facilities.

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

5 SECTION 1. Subchapter B, Chapter 1952, Insurance Code, is
6 amended by adding Section 1952.060 to read as follows:

7 Sec. 1952.060. REQUIRED PROVISION: LIABILITY COVERAGE FOR
8 TEMPORARY VEHICLES DURING POLICY TERM; PRIMARY COVERAGE REQUIRED.

9 (a) In this section:

10 (1) "Repair facility" means a person who rebuilds,
11 repairs, or services a motor vehicle for consideration or under a
12 warranty, service, or maintenance contract.

13 (2) "Temporary vehicle" includes a vehicle that is
14 loaned or provided to an insured by an automobile repair facility
15 for the insured's use while the insured's vehicle is at the facility
16 for service, repair, or another reason and is:

17 (A) in the lawful possession of the insured or
18 resident relative of the insured;

19 (B) not owned by the insured, any resident
20 relative of the insured, or any other person residing in the
21 insured's household; and

22 (C) operated by or in the possession of the
23 insured or resident relative of the insured until the vehicle is
24 returned to the repair facility.

1 (b) A personal automobile insurance policy, including a
2 policy issued by a county mutual insurance company, must define
3 temporary vehicle as defined by this section and include in the
4 policy's primary liability coverage primary liability coverage for
5 a temporary vehicle as a covered vehicle during the policy term.

6 (c) Coverage under this section is required only for a
7 vehicle that is:

8 (1) a private passenger automobile; or

9 (2) a pickup, utility vehicle, or van with a gross
10 vehicle weight of 25,000 pounds or less that is not used for the
11 delivery or transportation of goods, materials, or supplies, other
12 than samples, unless:

13 (A) the delivery of the goods, materials, or
14 supplies is not the primary use for which the vehicle is employed;
15 or

16 (B) the vehicle is used for farming or ranching.

17 (d) The coverage required by this section provides primary
18 coverage for the insured's legal liability for bodily injury and
19 property damage and for damage to the temporary vehicle, not excess
20 coverage. The coverage must insure:

21 (1) the person named in the personal automobile
22 insurance policy; and

23 (2) any resident relative of the insured and licensed
24 operator residing in the household except for an individual not
25 covered in a "named driver policy" under Section [1952.0545](#).

26 (e) The policy limits of a personal automobile insurance
27 policy must be available for the coverage required by this section.

1 SECTION 2. The change in law made by this Act applies only
2 to a personal automobile insurance policy that is delivered, issued
3 for delivery, or renewed on or after January 1, 2020.

4 SECTION 3. This Act takes effect September 1, 2019.