

SENATE AMENDMENTS

2nd Printing

By: Lambert, Raney

H.B. No. 3420

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

(a) In this section:

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

(2) "Resident relative" means an individual who:

(A) resides in the same household as the insured;
and

(B) is related to the insured within the third degree of consanguinity or affinity as described by Chapter 573, Government Code.

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

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

1 (B) not owned by the insured, any resident
2 relative of the insured, or any other person residing in the
3 insured's household; and

4 (C) operated by or in the possession of the
5 insured or resident relative of the insured until the vehicle is
6 returned to the repair facility.

7 (b) A personal automobile insurance policy, including a
8 policy issued by a county mutual insurance company, must define
9 temporary vehicle as defined by this section and include in the
10 policy's primary liability coverage primary liability coverage for
11 a temporary vehicle as a covered vehicle during the policy term.

12 (c) Coverage under this section is required only for a
13 vehicle that is:

14 (1) a private passenger automobile; or

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

19 (A) the delivery of the goods, materials, or
20 supplies is not the primary use for which the vehicle is employed;
21 or

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

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

27 (1) the person named in the personal automobile

1 insurance policy; and

2 (2) any resident relative of the insured and licensed
3 operator residing in the household except for an individual not
4 covered in a "named driver policy" under Section 1952.0545.

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

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

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

ADOPTED

WV
MAY 21 2019

FLOOR AMENDMENT NO. 1

Atty. Gen.
Secretary of the Senate

BY:

Jai Menick

1 Amend H.B. No. 3420 (senate committee report) as follows:

2 (1) In SECTION 1 of the bill, in added Section
3 1952.060(a)(3), Insurance Code (page 1, line 39), strike "or
4 another reason" and substitute "maintenance, or damage or to obtain
5 an estimate".

6 (2) In SECTION 1 of the bill, in added Section 1952.060(c)(2),
7 Insurance Code (page 1, line 57), strike "25,000" and substitute
8 "14,000".

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 22, 2019

TO: Honorable Dennis Bonnen, Speaker of the House, House of Representatives

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: **HB3420** by Lambert (Relating to liability coverage for certain vehicles provided by certain automobile repair facilities.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to liability coverage for certain vehicles provided by certain automobile repair facilities. Based on information provided by the Texas Department of Insurance, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill applies only to a personal automobile insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2020. The bill would take effect on September 1, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: WP, CLo, CP, CMa

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

May 13, 2019

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB3420 by Lambert (Relating to liability coverage for certain vehicles provided by certain automobile repair facilities.), **As Engrossed**

<p>No significant fiscal implication to the State is anticipated.</p>
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The bill would amend the Insurance Code relating to liability coverage for certain vehicles provided by certain automobile repair facilities. Based on information provided by the Texas Department of Insurance, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill applies only to a personal automobile insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2020. The bill would take effect on September 1, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: WP, CLo, CP, CMa

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 12, 2019

TO: Honorable Eddie Lucio III, Chair, House Committee on Insurance

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB3420 by Lambert (relating to liability coverage for certain vehicles provided by certain automobile repair facilities.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to liability coverage for certain vehicles provided by certain automobile repair facilities. Based on information provided by the Texas Department of Insurance, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill applies only to a personal automobile insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2020. The bill would take effect on September 1, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: WP, CMA, CP

**LEGISLATIVE BUDGET BOARD
Austin, Texas**

FISCAL NOTE, 86TH LEGISLATIVE REGULAR SESSION

April 1, 2019

TO: Honorable Eddie Lucio III, Chair, House Committee on Insurance

FROM: John McGeady, Assistant Director Sarah Keyton, Assistant Director
Legislative Budget Board

IN RE: HB3420 by Lambert (Relating to continuation of automobile insurance coverage for temporary substitute vehicles during a personal automobile insurance policy term.), **As Introduced**

No significant fiscal implication to the State is anticipated.

The bill would amend the Insurance Code relating to continuation of automobile insurance coverage for temporary substitute vehicles during a personal automobile insurance policy term. Based on information provided by the Texas Department of Insurance, this analysis assumes that the duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

The bill applies only to an insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2020. The bill would take effect on September 1, 2019.

Local Government Impact

No fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: WP, CMa, CP