

BILL ANALYSIS

H.B. 3520
By: Spiller
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill author has informed the committee that there is a need to modernize the automobile liability insurance coverage requirements for transportation network company (TNC) drivers in order to reduce insurance costs while maintaining adequate insurance coverage. Under current law, TNC drivers are required to maintain certain levels of minimum automobile liability insurance coverage when the driver is logged into a TNC's digital network and is available to receive transportation network requests but is not engaged in a TNC prearranged ride. But the law requires higher minimum automobile liability insurance coverage when the driver is engaged in a prearranged ride, even if no TNC rider is in the vehicle. The bill author has informed the committee that the lower insurance requirements that are in place when a driver is logged into a TNC's digital network and is available to receive transportation network requests but is not engaged in a TNC prearranged ride are sufficient to protect the interests of the general public when drivers are engaged in a prearranged ride, but when there is no TNC rider in the vehicle. H.B. 3520 seeks to clarify that the higher automobile liability insurance coverage minimums apply depending on whether or not a TNC rider is in a TNC driver's vehicle.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 3520 amends the Insurance Code to make the automobile liability insurance requirements for a transportation network company (TNC) driver who is engaged in a prearranged ride applicable only when there is a TNC rider in the vehicle. The bill subjects a TNC driver engaged in a prearranged ride without a TNC rider in the vehicle to the insurance requirements that apply when the driver is logged on to the TNC digital network and available to receive requests but is not engaged in a prearranged ride.

H.B. 3520 applies only to an automobile insurance policy delivered, issued for delivery, or renewed on or after January 1, 2026. An automobile insurance policy delivered, issued for delivery, or renewed before that date is governed by the law as it existed immediately before the bill's effective date, and that law is continued in effect for that purpose.

EFFECTIVE DATE

September 1, 2025.