

1-1 By: Thompson of Brazoria, et al. H.B. No. 259
 1-2 (Senate Sponsor - Hancock)
 1-3 (In the Senate - Received from the House April 23, 2019;
 1-4 April 24, 2019, read first time and referred to Committee on
 1-5 Business & Commerce; May 15, 2019, reported favorably by the
 1-6 following vote: Yeas 7, Nays 0; May 15, 2019, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Hancock	X			
1-9 Nichols	X			
1-10 Campbell	X			
1-11 Creighton			X	
1-12 Menéndez	X			
1-13 Paxton	X			
1-14 Schwertner	X			
1-15 Whitmire			X	
1-16 Zaffirini	X			

1-18 A BILL TO BE ENTITLED
 1-19 AN ACT

1-20 relating to named driver insurance policies and certain related
 1-21 exclusions.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Chapter 1952, Insurance Code, is amended by
 1-24 adding Subchapter H to read as follows:

1-25 SUBCHAPTER H. NAMED DRIVER POLICIES

1-26 Sec. 1952.351. DEFINITIONS. In this subchapter:

1-27 (1) "Household" means a unit composed of individuals
 1-28 living together in the same dwelling, without regard to whether
 1-29 they are related to each other. The term includes a unit composed
 1-30 of individuals living together in:

1-31 (A) a home or mobile home;

1-32 (B) a duplex unit, apartment unit, or condominium

1-33 unit; or

1-34 (C) any dwelling unit in a multiunit residential
 1-35 structure.

1-36 (2) "Named driver exclusion" means a provision or
 1-37 endorsement of an automobile insurance policy that excludes
 1-38 specified drivers from coverage under the policy.

1-39 (3) "Named driver policy" means an automobile
 1-40 insurance policy that provides any type of coverage for individuals
 1-41 named on the policy but that does not provide coverage for every
 1-42 individual who has permission to use a covered vehicle and who
 1-43 resides in a named insured's household.

1-44 (4) "Operator's policy" means an automobile insurance
 1-45 policy that, in accordance with Section 601.077, Transportation
 1-46 Code, provides coverage for the named insured when operating an
 1-47 automobile the insured does not own.

1-48 Sec. 1952.352. APPLICABILITY. This subchapter applies to
 1-49 an insurer writing automobile insurance in this state, including an
 1-50 insurance company, corporation, reciprocal or interinsurance
 1-51 exchange, mutual insurance company, capital stock company,
 1-52 association, county mutual insurance company, Lloyd's plan, and any
 1-53 other insurer.

1-54 Sec. 1952.353. NAMED DRIVER POLICIES PROHIBITED; CERTAIN
 1-55 NAMED DRIVER EXCLUSIONS AUTHORIZED. (a) An insurer may not
 1-56 deliver, issue for delivery, or renew a named driver policy unless
 1-57 the named driver policy is an operator's policy.

1-58 (b) An insurer may use a named driver exclusion only if the
 1-59 exclusion specifically names each excluded driver and does not
 1-60 exclude a class of drivers and the named insured accepts the
 1-61 exclusion in writing.

2-1 SECTION 2. Section 912.152(a), Insurance Code, is amended
2-2 to read as follows:

2-3 (a) A county mutual insurance company is subject to:

2-4 (1) Sections 1952.051-1952.055;

2-5 (2) Subchapter H, Chapter 1952;

2-6 (3) ~~[(2)]~~ Subchapter B, Chapter 2002;

2-7 (4) ~~[(3)]~~ Chapter 2301; and

2-8 (5) ~~[(4)]~~ Articles 5.06 and 5.35.

2-9 SECTION 3. Section 601.081(b), Transportation Code, is
2-10 amended to read as follows:

2-11 (b) A standard proof of motor vehicle liability insurance
2-12 form prescribed by the Texas Department of Insurance must include:

2-13 (1) the name of the insurer;

2-14 (2) the insurance policy number;

2-15 (3) the policy period;

2-16 (4) the name and address of each insured;

2-17 (5) the policy limits or a statement that the coverage
2-18 of the policy complies with the minimum amounts of motor vehicle
2-19 liability insurance required by this chapter; and

2-20 (6) the make and model of each covered vehicle ~~[, and~~

2-21 ~~[(7) for a named driver policy, the required~~
2-22 ~~disclosure under Section 1952.0545, Insurance Code].~~

2-23 SECTION 4. Section 1952.0545, Insurance Code, and Section
2-24 601.081(a), Transportation Code, are repealed.

2-25 SECTION 5. The change in law made by this Act applies only
2-26 to an insurance policy that is delivered, issued for delivery, or
2-27 renewed on or after January 1, 2020. A policy delivered, issued for
2-28 delivery, or renewed before January 1, 2020, is governed by the law
2-29 as it existed immediately before the effective date of this Act, and
2-30 that law is continued in effect for that purpose.

2-31 SECTION 6. This Act takes effect September 1, 2019.

2-32

* * * * *