

1-1 By: Lambert, Raney (Senate Sponsor - Menéndez) H.B. No. 3420
 1-2 (In the Senate - Received from the House May 6, 2019;
 1-3 May 10, 2019, read first time and referred to Committee on Business
 1-4 & Commerce; May 20, 2019, reported favorably by the following vote:
 1-5 Yeas 9, Nays 0; May 20, 2019, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to liability coverage for certain vehicles provided by
 1-20 certain automobile repair facilities.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Subchapter B, Chapter 1952, Insurance Code, is
 1-23 amended by adding Section 1952.060 to read as follows:

1-24 Sec. 1952.060. REQUIRED PROVISION: LIABILITY COVERAGE FOR
 1-25 TEMPORARY VEHICLES DURING POLICY TERM; PRIMARY COVERAGE REQUIRED.

1-26 (a) In this section:

1-27 (1) "Repair facility" means a person who rebuilds,
 1-28 repairs, or services a motor vehicle for consideration or under a
 1-29 warranty, service, or maintenance contract.

1-30 (2) "Resident relative" means an individual who:

1-31 (A) resides in the same household as the insured;

1-32 and

1-33 (B) is related to the insured within the third
 1-34 degree of consanguinity or affinity as described by Chapter 573,
 1-35 Government Code.

1-36 (3) "Temporary vehicle" includes a vehicle that is
 1-37 loaned or provided to an insured by an automobile repair facility
 1-38 for the insured's use while the insured's vehicle is at the facility
 1-39 for service, repair, or another reason and is:

1-40 (A) in the lawful possession of the insured or
 1-41 resident relative of the insured;

1-42 (B) not owned by the insured, any resident
 1-43 relative of the insured, or any other person residing in the
 1-44 insured's household; and

1-45 (C) operated by or in the possession of the
 1-46 insured or resident relative of the insured until the vehicle is
 1-47 returned to the repair facility.

1-48 (b) A personal automobile insurance policy, including a
 1-49 policy issued by a county mutual insurance company, must define
 1-50 temporary vehicle as defined by this section and include in the
 1-51 policy's primary liability coverage primary liability coverage for
 1-52 a temporary vehicle as a covered vehicle during the policy term.

1-53 (c) Coverage under this section is required only for a
 1-54 vehicle that is:

1-55 (1) a private passenger automobile; or

1-56 (2) a pickup, utility vehicle, or van with a gross
 1-57 vehicle weight of 25,000 pounds or less that is not used for the
 1-58 delivery or transportation of goods, materials, or supplies, other
 1-59 than samples, unless:

1-60 (A) the delivery of the goods, materials, or
 1-61 supplies is not the primary use for which the vehicle is employed;

2-1 or

2-2 (B) the vehicle is used for farming or ranching.

2-3 (d) The coverage required by this section provides primary
2-4 coverage for the insured's legal liability for bodily injury and
2-5 property damage and for damage to the temporary vehicle, not excess
2-6 coverage. The coverage must insure:

2-7 (1) the person named in the personal automobile
2-8 insurance policy; and

2-9 (2) any resident relative of the insured and licensed
2-10 operator residing in the household except for an individual not
2-11 covered in a "named driver policy" under Section [1952.0545](#).

2-12 (e) The policy limits of a personal automobile insurance
2-13 policy must be available for the coverage required by this section.

2-14 SECTION 2. The change in law made by this Act applies only
2-15 to a personal automobile insurance policy that is delivered, issued
2-16 for delivery, or renewed on or after January 1, 2020.

2-17 SECTION 3. This Act takes effect September 1, 2019.

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