

By: Thompson of Brazoria, Keough, Muñoz, Jr.,  
Anderson of McLennan,  
Bonnen of Galveston, et al.

H.B. No. 915

A BILL TO BE ENTITLED

AN ACT

relating to named driver insurance policies and certain related  
exclusions.

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

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

SUBCHAPTER H. NAMED DRIVER POLICIES

Sec. 1952.351. DEFINITIONS. In this subchapter:

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

(A) a home or mobile home;

(B) a duplex unit, apartment unit, or condominium  
unit; or

(C) any dwelling unit in a multiunit residential  
structure.

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

(3) "Named driver policy" means an automobile  
insurance policy that provides any type of coverage for individuals  
named on the policy but that does not provide coverage for every  
individual residing in a named insured's household.

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

5           Sec. 1952.352. APPLICABILITY. This subchapter applies to  
6 an insurer writing automobile insurance in this state, including an  
7 insurance company, corporation, reciprocal or interinsurance  
8 exchange, mutual insurance company, capital stock company,  
9 association, county mutual insurance company, Lloyd's plan, and any  
10 other insurer.

11           Sec. 1952.353. NAMED DRIVER POLICIES PROHIBITED. (a) An  
12 insurer may not deliver, issue for delivery, or renew a named driver  
13 policy unless the named driver policy is an operator's policy.

14           (b) An insurer may use a named driver exclusion if the  
15 exclusion specifically names each excluded driver and does not  
16 exclude a class of drivers and the named insured accepts the  
17 exclusion in writing.

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

20           (a) A county mutual insurance company is subject to:

21                   (1) Sections 1952.051-1952.055;

22                   (2) Subchapter H, Chapter 1952;

23                   (3) [~~(2)~~] Subchapter B, Chapter 2002;

24                   (4) [~~(3)~~] Chapter 2301; and

25                   (5) [~~(4)~~] Articles 5.06 and 5.35.

26           SECTION 3. Section 601.081(b), Transportation Code, is  
27 amended to read as follows:

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

- 3 (1) the name of the insurer;  
4 (2) the insurance policy number;  
5 (3) the policy period;  
6 (4) the name and address of each insured;  
7 (5) the policy limits or a statement that the coverage  
8 of the policy complies with the minimum amounts of motor vehicle  
9 liability insurance required by this chapter; and

10 (6) the make and model of each covered vehicle[~~, and~~  
11 ~~[(7) for a named driver policy, the required~~  
12 ~~disclosure under Section 1952.0545, Insurance Code]~~.

13 SECTION 4. Section 1952.0545, Insurance Code, and Section  
14 601.081(a), Transportation Code, are repealed.

15 SECTION 5. The change in law made by this Act applies only  
16 to an insurance policy that is delivered, issued for delivery, or  
17 renewed on or after January 1, 2018. A policy delivered, issued for  
18 delivery, or renewed before January 1, 2018, is governed by the law  
19 as it existed immediately before the effective date of this Act, and  
20 that law is continued in effect for that purpose.

21 SECTION 6. This Act takes effect September 1, 2017.