

By: Seliger

S.B. No. 1755

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

(2) "Named driver policy" means an automobile insurance policy that provides coverage only for drivers specifically named on the policy and not for all individuals residing in a named insured's household, and that may or may not provide coverage for drivers using a vehicle covered by the policy with permission and not residing in the insured's household. The term includes an automobile insurance policy that has been endorsed to provide coverage only for drivers specifically named on the policy.

Sec. 1952.352. APPLICABILITY. This subchapter applies to an insurer writing automobile insurance in this state, including an insurance company, corporation, reciprocal or interinsurance exchange, mutual insurance company, capital stock company,

1 association, county mutual insurance company, a Lloyd's plan, and
2 any other insurer.

3 Sec. 1952.353. NAMED DRIVER POLICIES PROHIBITED. (a) An
4 insurer may not deliver, issue for delivery, or renew a named driver
5 policy.

6 (b) An insurer may use a named driver exclusion if the
7 exclusion specifically names each excluded driver and does not
8 exclude a class of drivers.

9 Sec. 1952.354. RULES. The commissioner may adopt rules
10 necessary to implement this subchapter.

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

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

14 (1) Sections 1952.051-1952.055;

15 (2) Subchapter H, Chapter 1952;

16 (3) [~~(2)~~] Subchapter B, Chapter 2002;

17 (4) [~~(3)~~] Chapter 2301; and

18 (5) [~~(4)~~] Articles 5.06 and 5.35.

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

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

23 (1) the name of the insurer;

24 (2) the insurance policy number;

25 (3) the policy period;

26 (4) the name and address of each insured;

27 (5) the policy limits or a statement that the coverage

1 of the policy complies with the minimum amounts of motor vehicle
2 liability insurance required by this chapter; and

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

6 SECTION 4. Section 1952.0545, Insurance Code, and Section
7 601.081(a), Transportation Code, are repealed.

8 SECTION 5. The change in law made by this Act applies only
9 to an insurance policy that is delivered, issued for delivery, or
10 renewed on or after January 1, 2016. A policy delivered, issued for
11 delivery, or renewed before January 1, 2016, is governed by the law
12 as it existed immediately before the effective date of this Act, and
13 that law is continued in effect for that purpose.

14 SECTION 6. This Act takes effect September 1, 2015.