

BILL ANALYSIS

H.B. 915
By: Thompson, Ed
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties note that a person who drives an insured vehicle but who is not named on a named driver policy is not covered by the policy regardless of whether the person has permission from the policyholder to drive the vehicle. The parties contend that some policyholders and drivers are not aware of such coverage restrictions and that named driver policies may leave injured third parties with limited recourse to recover damages. H.B. 915 seeks to address these issues by prohibiting the issuance or delivery of certain named driver policies.

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. 915 amends the Insurance Code to prohibit an insurer writing automobile insurance in Texas from delivering, issuing for delivery, or renewing a named driver policy unless the named driver policy is an operator's policy. The bill defines, among other terms, "named driver policy" as 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. The bill authorizes an insurer to use a named driver exclusion if the exclusion specifically names each excluded driver and does not exclude a class of drivers and the named insured accepts the exclusion in writing.

H.B. 915 repeals provisions relating to an agent's or insurer's duty to disclose certain information to an applicant or insured regarding a named driver policy before accepting any premium or fee for such a policy.

H.B. 915 applies only to an insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2018.

H.B. 915 repeals the following provisions:

- Section 1952.0545, Insurance Code
- Section 601.081(a), Transportation Code

EFFECTIVE DATE

September 1, 2017.