

## **BILL ANALYSIS**

Senate Research Center  
76R592 DLF-D

S.B. 291  
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### **DIGEST**

Currently, under Texas law, all drivers of motor vehicles are required to have a certain level of auto insurance. However, many drivers still are not complying with this law. This bill would prohibit uninsured motorists from collecting damages arising from a motor vehicle accident, with certain exceptions, and would provide for new regulations to increase the enforcement of motor vehicle insurance requirements.

### **PURPOSE**

As proposed, S.B. 291 prohibits uninsured motorists from collecting damages arising from a motor vehicle accident, with certain exceptions, and provides for new regulations to increase the enforcement of motor vehicle insurance requirements.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the commissioner of insurance in SECTION 2.03 (Article 5.06-7, Chapter 5A, Insurance Code), and to the Department of Transportation in SECTION 3.02 (Section 502.356, Chapter 502G, Transportation Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

#### ARTICLE 1. LIABILITY IN MOTOR VEHICLE ACCIDENTS

SECTION 1.01. Amends Title 4, Civil Practice and Remedies Code, by adding Chapter 92, as follows:

##### CHAPTER 92. LIABILITY FOR CERTAIN MOTOR VEHICLE ACCIDENTS

Sec. 92.001. LIABILITY FOR INJURY TO CERTAIN OPERATORS. Prohibits a person from obtaining damages for bodily injury, death, or damage to or destruction of property arising out of a motor vehicle accident if, at the time of the accident, the person was knowingly operating the motor vehicle in violation of Section 601.051, Transportation Code.

Sec. 92.002. DERIVATIVE CLAIMS. Establishes that Section 92.001 applies to a claim for damages made by a person whose right to recovery derives from an injury to another person whose right to recover damages would be barred under Section 92.001, except as provided by Subsection (b). Provides that this chapter does not prohibit the recovery of exemplary damages for a wilful act or omission or gross neglect in a wrongful death action brought by or on behalf of a surviving spouse or heirs of the decedent's body under a statute enacted under Section 26, Article XVI, Texas Constitution. Provides that a claim for exemplary damages described by this subsection is governed by Chapter 41.

Sec. 92.003. CLAIMS AGAINST INTOXICATED OPERATORS. Provides that Section 92.001 does not apply if the person described by that section was injured by another person who was operating a motor vehicle while intoxicated in violation of Section 49.04, Penal Code, or other law relating to driving while intoxicated and was convicted of such an offense.

SECTION 1.02. Effective date of this article: January 1, 2000.  
Makes application of this article prospective.

#### ARTICLE 2. INSURANCE; FORM OF PROOF OF INSURANCE

SECTION 2.01. Amends Section 601.053(a), Transportation Code, to delete text requiring a motor vehicle operator to provide a motor vehicle liability insurance policy to a police officer or a person involved in an accident, or an insurance binder confirming the operator is in compliance with this chapter. Makes conforming changes.

SECTION 2.02. Amends Section 601.081, Transportation Code, to require the standard proof of motor vehicle liability form to evidence the existence of a motor vehicle liability insurance policy or a binder and to include certain information.

SECTION 2.03. Amends Chapter 5A, Insurance Code, by adding Article 5.06-7, as follows:

Art. 5.06-7. POLICIES NOT SUBJECT TO CANCELLATION. Authorizes a motor vehicle insurer to offer a liability insurance policy valid for a certain period that is not subject to cancellation by the insurer or at the request of the insured. Provides that a policy issued under this section is not subject to cancellation for any reason, except as provided by this article. Authorizes a motor vehicle insurer to cancel a liability insurance policy issued under this article if each motor vehicle covered by the policy is no longer owned by or in the possession of the insured or no longer operable. Grants rulemaking authority to the commissioner of insurance (commissioner) to prescribe the appropriate form of proof to be submitted to an insurer before a policy may be canceled under this subsection. Authorizes an insurer to require advance payment of all premiums owed for a liability insurance policy issued under this article. Authorizes an insurer to assess a premium surcharge in an amount prescribed by the commissioner for issuance of a liability insurance policy under this article. Grants rulemaking authority to the commissioner as necessary to implement this article.

SECTION 2.04. Effective date of this article: January 1, 2000.  
Makes application of this article prospective.

### ARTICLE 3. MONTHLY REGISTRATION FOR CERTAIN OPERATORS

SECTION 3.01. Amends Sections 502.153(b), (d), and (f), Transportation Code, to prohibit the county assessor-collector from registering a vehicle unless the standard proof of motor vehicle liability insurance form contains certain statements. Deletes text requiring a personal automobile policy used as evidence of financial responsibility to comply with Article 5.06, Insurance Code. Makes nonsubstantive and conforming changes.

SECTION 3.02. Amends Chapter 502G, Transportation Code, by adding Section 502.356, as follows:

Sec. 502.356. TEMPORARY REGISTRATION PERMIT FOR CERTAIN VEHICLES; OFFENSE. Authorizes the Texas Department of Transportation (department) to issue a temporary registration permit for certain vehicles. Provides that a temporary registration permit is in lieu of registration and valid for 30 days. Authorizes a temporary registration to be issued only for certain motor vehicles showing evidence of financial responsibility as required by Section 601.051. Authorizes a person to obtain multiple temporary registration permits for a vehicle. Sets forth the procedure by which a person may obtain a temporary registration permit. Requires the department to set the required fee at a certain amount. Requires a registration receipt to be issued on forms provided by the department. Requires the department to issue a license plate for the vehicle covered by the permit the first time the permit is issued, subject to Section 502.180(b). Requires the issuance of a temporary registration permit insignia evidencing the issuance of the permit. Requires the department to design the insignia. Grants rulemaking authority to the department regarding the display of the insignia. Requires a person issued a temporary registration permit to display the insignia as required. Provides that a person issued a temporary registration permit who operates a vehicle in violation of Subsection (g) commits a Class C misdemeanor. Grants rulemaking authority to the department to administer this section and prescribe certain forms.

SECTION 3.03. Effective date of this article: January 1, 2000.  
Makes application of this article prospective.

### ARTICLE 4. EMERGENCY

SECTION 4.01. Emergency clause.