

BILL ANALYSIS

Senate Research Center
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C.S.S.B. 693
By: Lucio
Business & Commerce
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Committee Report (Substituted)

DIGEST AND PURPOSE

Currently, many motorists entering Texas from Mexico are contributing to the population of uninsured motorists who do not have insurance to cover auto accidents that may occur while they are in Texas. C.S.S.B. 693 allows the commissioner of insurance to establish a system to provide short-term auto liability insurance that would provide coverage for non-Texas residents while operating a vehicle in Texas.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1(Article 5.01, Insurance Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 5A, Insurance Code, by adding Article 5.01C, as follows:

Art. 5.01C. SHORT-TERM LIABILITY INSURANCE FOR MOTORISTS ENTERING THIS STATE FROM MEXICO.

Sec. 1. DEFINITIONS. Defines “insurer,” “motor vehicle,” and “short-term liability insurance policy.”

Sec. 2. RULES. (a) Authorizes the commissioner of insurance (commissioner) by rule to establish a program to provide for the sale of short-term liability insurance policies to non-Texas resident motorists visiting this state.

(b) Authorizes the commissioner to negotiate an agreement with any insurer under which the insurer will sell policies described by Subsection (a) of this section.

Sec. 3. LICENSE REQUIRED. Requires a person representing an insurer in selling short-term liability insurance policies under this article to be licensed under Subchapter A, Chapter 21, of this code.

Sec. 4. FORMS. Requires that an insurer selling short-term liability insurance policies under this article use the policy forms adopted by the commissioner under Article 5.06 of this code unless the insurer is exempt from using those forms.

SECTION 2. Effective date: September 1, 2001.

SUMMARY OF COMMITTEE CHANGES

SECTION 1. Amends As Filed S.B. 693, in proposed Article 5.01C, Section 2, to authorize the commissioner of insurance by rule to establish a program to provide for the sale of short-term liability insurance policies to non-Texas resident motorists visiting this state, rather than to establish by rule a

program to provide for the sale of short-term liability insurance policies to motorists entering this state at Texas-Mexico border crossings and to increase the availability of those policies. Changes the relating clause to read “relating to short-term motor vehicle liability insurance policies for non-Texas resident motorists visiting this state.”