

BILL ANALYSIS

Senate Research Center
87R4688 RDS-D

H.B. 1787
By: Lambert (To Be Filed)
Business & Commerce
4/21/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Background:

The 86th Texas Legislature enacted legislation requiring an individual's primary physical damage coverage on their vehicle to carry forward to cover a temporary substitute vehicle provided to the individual while their vehicle is in a motor vehicle repair facility. This legislation established that the coverage did not extend to an individual not covered in a named driver policy. However, that same session the legislature enacted different legislation that repealed provisions providing for named driver policies. H.B. 1787 seeks to revise state law by removing the outdated reference to a named driver policy while preserving the intent of the original legislation.

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, nor does the bill expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

Solution:

H.B. 1787 amends the Insurance Code to establish that the liability coverage under a personal automobile insurance policy for a temporary vehicle provided to an insured by an automobile repair facility must insure any resident relative of the insured and licensed operator residing in the household except for a person specifically named in an authorized named driver exclusion under the policy.

H.B. 1787 amends current law relating to liability coverage under a personal automobile insurance policy for a temporary vehicle provided to an insured by an automobile repair facility.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1952.060(d), Insurance Code, as follows:

(d) Provides that the coverage required by Section 1952.060 (Required Provision: Liability Coverage for Temporary Vehicles During Policy Term; Primary Coverage Required) provides primary coverage for the insured's legal liability for bodily injury and property damage and for damage to the temporary vehicle, not excess coverage. Requires that the coverage insure:

(1) makes no change to this subdivision; and

(2) any resident relative of the insured and licensed operator residing in the household except for a person specifically named in a named driver exclusion under Section 1952.353(b) (relating to the circumstance in which an insurer is

authorized to use a named driver exclusion), rather than except for an individual not covered in a "named driver policy" under Section 1952.0545 (Required Disclosure Regarding Named Driver Policies; Persons in Insured's Household).

SECTION 2. Effective date: September 1, 2021.