

Chapter 1367

H.B. No. 3420

1 AN ACT  
2 relating to liability coverage for certain vehicles provided by  
3 certain automobile repair facilities.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Subchapter B, Chapter 1952, Insurance Code, is  
6 amended by adding Section 1952.060 to read as follows:

7 Sec. 1952.060. REQUIRED PROVISION: LIABILITY COVERAGE FOR  
8 TEMPORARY VEHICLES DURING POLICY TERM; PRIMARY COVERAGE REQUIRED.

9 (a) In this section:

10 (1) "Repair facility" means a person who rebuilds,  
11 repairs, or services a motor vehicle for consideration or under a  
12 warranty, service, or maintenance contract.

13 (2) "Resident relative" means an individual who:

14 (A) resides in the same household as the insured;

15 and

16 (B) is related to the insured within the third  
17 degree of consanguinity or affinity as described by Chapter 573,  
18 Government Code.

19 (3) "Temporary vehicle" includes a vehicle that is  
20 loaned or provided to an insured by an automobile repair facility  
21 for the insured's use while the insured's vehicle is at the facility  
22 for service, repair, maintenance, or damage or to obtain an  
23 estimate and is:

24 (A) in the lawful possession of the insured or

1 resident relative of the insured;

2 (B) not owned by the insured, any resident  
3 relative of the insured, or any other person residing in the  
4 insured's household; and

5 (C) operated by or in the possession of the  
6 insured or resident relative of the insured until the vehicle is  
7 returned to the repair facility.

8 (b) A personal automobile insurance policy, including a  
9 policy issued by a county mutual insurance company, must define  
10 temporary vehicle as defined by this section and include in the  
11 policy's primary liability coverage primary liability coverage for  
12 a temporary vehicle as a covered vehicle during the policy term.

13 (c) Coverage under this section is required only for a  
14 vehicle that is:

15 (1) a private passenger automobile; or

16 (2) a pickup, utility vehicle, or van with a gross  
17 vehicle weight of 14,000 pounds or less that is not used for the  
18 delivery or transportation of goods, materials, or supplies, other  
19 than samples, unless:

20 (A) the delivery of the goods, materials, or  
21 supplies is not the primary use for which the vehicle is employed;  
22 or

23 (B) the vehicle is used for farming or ranching.

24 (d) The coverage required by this section provides primary  
25 coverage for the insured's legal liability for bodily injury and  
26 property damage and for damage to the temporary vehicle, not excess  
27 coverage. The coverage must insure:

1           (1) the person named in the personal automobile  
2 insurance policy; and

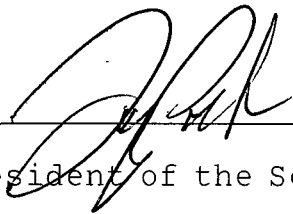
3           (2) any resident relative of the insured and licensed  
4 operator residing in the household except for an individual not  
5 covered in a "named driver policy" under Section 1952.0545.

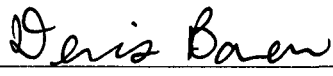
6           (e) The policy limits of a personal automobile insurance  
7 policy must be available for the coverage required by this section.

8           SECTION 2. The change in law made by this Act applies only  
9 to a personal automobile insurance policy that is delivered, issued  
10 for delivery, or renewed on or after January 1, 2020.

11           SECTION 3. This Act takes effect September 1, 2019.

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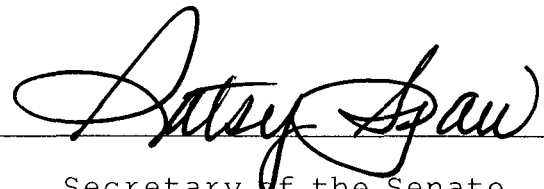
  
\_\_\_\_\_  
President of the Senate

  
\_\_\_\_\_  
Speaker of the House

I certify that H.B. No. 3420 was passed by the House on May 3, 2019, by the following vote: Yeas 129, Nays 13, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3420 on May 24, 2019, by the following vote: Yeas 130, Nays 11, 2 present, not voting.

  
\_\_\_\_\_  
Chief Clerk of the House

I certify that H.B. No. 3420 was passed by the Senate, with amendments, on May 21, 2019, by the following vote: Yeas 28, Nays 3.

  
\_\_\_\_\_  
Secretary of the Senate

APPROVED: 6-14-2019

Date

  
\_\_\_\_\_  
Governor

FILED IN THE OFFICE OF THE  
SECRETARY OF STATE  
4:45 pm O'CLOCK

JUN 15 2019

  
\_\_\_\_\_  
Secretary of State