

SUBCHAPTER C. FINANCIAL RESPONSIBILITY; REQUIREMENTS

§ 601.051. REQUIREMENT OF FINANCIAL RESPONSIBILITY.

A person may not operate a motor vehicle in this state unless financial responsibility is established for that vehicle through:

- (1) a motor vehicle liability insurance policy that complies with Subchapter D;
- (2) a surety bond filed under Section 601.121;
- (3) a deposit under Section 601.122;
- (4) a deposit under Section 601.123; or
- (5) self-insurance under Section 601.124.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

§ 601.052. EXCEPTIONS TO FINANCIAL RESPONSIBILITY

REQUIREMENT. (a) Section 601.051 does not apply to:

- (1) the operation of a motor vehicle that:
 - (A) is a former military vehicle or is at least 25 years old;
 - (B) is used only for exhibitions, club activities, parades, and other functions of public interest and not for regular transportation; and
 - (C) for which the owner files with the department an affidavit, signed by the owner, stating that the vehicle is a collector's item and used only as described by Paragraph (B);
- (2) the operation of a golf cart not required to be registered under Section 502.284; or
- (3) a volunteer fire department for the operation of a motor vehicle the title of which is held in the name of a volunteer fire department.

(b) Subsection (a)(3) does not exempt from the requirement of Section 601.051 a person who is operating a vehicle described by that subsection.

(c) In this section:

- (1) "Former military vehicle" has the meaning assigned by Section 502.275(o).
- (2) "Volunteer fire department" means a company, department, or association that is:
 - (A) organized in an unincorporated area to answer fire alarms and extinguish fires or to answer fire alarms, extinguish fires, and provide emergency medical services; and
 - (B) composed of members who:
 - (i) do not receive compensation; or
 - (ii) receive only nominal compensation.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 165, § 30.127(a), eff. Sept. 1, 1997; Acts 1997, 75th Leg., ch. 896, § 3, eff. Sept. 1, 1997.

§ 601.053. EVIDENCE OF FINANCIAL RESPONSIBILITY.

(a) As a condition of operating in this state a motor vehicle to which Section 601.051 applies, the operator of the vehicle on

request shall provide to a peace officer, as defined by Article 2.12, Code of Criminal Procedure, or a person involved in an accident with the operator evidence of financial responsibility by exhibiting:

- (1) a motor vehicle liability insurance policy covering the vehicle that satisfies Subchapter D or a photocopy of the policy;
- (2) a standard proof of motor vehicle liability insurance form prescribed by the Texas Department of Insurance under Section 601.081 and issued by a liability insurer for the motor vehicle;
- (3) an insurance binder that confirms the operator is in compliance with this chapter;
- (4) a surety bond certificate issued under Section 601.121;
- (5) a certificate of a deposit with the comptroller covering the vehicle issued under Section 601.122;
- (6) a copy of a certificate of a deposit with the appropriate county judge covering the vehicle issued under Section 601.123; or
- (7) a certificate of self-insurance covering the vehicle issued under Section 601.124 or a photocopy of the certificate.

(b) An operator who does not exhibit evidence of financial responsibility under Subsection (a) is presumed to have operated the vehicle in violation of Section 601.051.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1423, § 18.06, eff. Sept. 1, 1997.

§ 601.054. OWNER MAY PROVIDE EVIDENCE OF FINANCIAL RESPONSIBILITY FOR OTHERS.

(a) The department shall accept evidence of financial responsibility from an owner for another person required to establish evidence of financial responsibility if the other person is:

- (1) an operator employed by the owner; or
- (2) a member of the owner's immediate family or household.

(b) The evidence of financial responsibility applies to a person who becomes subject to Subsection (a)(1) or (2) after the effective date of that evidence.

(c) Evidence of financial responsibility accepted by the department under Subsection (a) is a substitute for evidence by the other person and permits the other person to operate a motor vehicle for which the owner has provided evidence of financial responsibility.

(d) The department shall designate the restrictions imposed by this section on the face of the other person's driver's license.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

SUBCHAPTER D. ESTABLISHMENT OF FINANCIAL RESPONSIBILITY THROUGH MOTOR VEHICLE LIABILITY INSURANCE

§ 601.071. MOTOR VEHICLE LIABILITY INSURANCE; REQUIREMENTS.

For purposes of this chapter, a motor vehicle liability insurance policy must be an owner's or operator's policy that:

- (1) except as provided by Section 601.083, is issued by an insurance company authorized to write motor vehicle liability insurance in this state;
- (2) is written to or for the benefit of the person named in the policy as the insured; and
- (3) meets the requirements of this subchapter.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

For expiration of Subsections (a) and (d), see Subsection (d).

§ 601.072. MINIMUM COVERAGE AMOUNTS; EXCLUSIONS.

(a) Effective April 1, 2008, the minimum amounts of motor vehicle liability insurance coverage required to establish financial responsibility under this chapter are:

- (1) \$25,000 for bodily injury to or death of one person in one accident;
- (2) \$50,000 for bodily injury to or death of two or more persons in one accident, subject to the amount provided by Subdivision (1) for bodily injury to or death of one of the persons; and
- (3) \$25,000 for damage to or destruction of property of others in one accident.

(a-1) Effective January 1, 2011, the minimum amounts of motor vehicle liability insurance coverage required to establish financial responsibility under this chapter are:

- (1) \$30,000 for bodily injury to or death of one person in one accident;
- (2) \$60,000 for bodily injury to or death of two or more persons in one accident, subject to the amount provided by Subdivision (1) for bodily injury to or death of one of the persons; and
- (3) \$25,000 for damage to or destruction of property of others in one accident.

(b) The coverage required under this section may exclude, with respect to one accident:

- (1) the first \$250 of liability for bodily injury to or death of one person;
- (2) the first \$500 of liability for bodily injury to or death of two or more persons, subject to the amount provided by Subdivision (1) for bodily injury to or death of one of the persons; and
- (3) the first \$250 of liability for property damage to or destruction of property of others.

(c) The Texas Department of Insurance shall establish an outreach program to inform persons of the requirements of this chapter and the ability to comply with the financial responsibility requirements of this chapter through motor vehicle liability insurance coverage. The commissioner, by rule, shall establish the requirements for the program. The program must be designed to encourage compliance with the financial responsibility requirements, and must be made available in English and Spanish.

(d) Subsection (a) and this subsection expire December 31, 2010.

Acts 1995, 74th Leg., ch. 165, § 1, eff. Sept. 1, 1995.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. [1298](#), § 1, eff. September 1, 2007.

§ 601.073. REQUIRED POLICY TERMS. (a) A motor vehicle liability insurance policy must state:

- (1) the name and address of the named insured;
- (2) the coverage provided under the policy;
- (3) the premium charged for the policy;
- (4) the policy period; and
- (5) the limits of liability.

(b) The policy must contain an agreement or endorsement that the insurance coverage provided under the policy is:

- (1) provided in accordance with the coverage required by this chapter for bodily injury, death, and property damage; and
- (2) subject to this chapter.

(c) The liability of the insurance company for the insurance required by this chapter becomes absolute at the time bodily injury, death, or damage covered by the policy occurs. The policy may not be canceled as to this liability by an agreement between the insurance company and the insured that is entered into after the occurrence of the injury or damage. A statement made by or on behalf of the insured or a violation of the policy does not void the policy.

(d) The policy may not require the insured to satisfy a judgment for bodily injury, death, or property damage as a condition precedent under the policy to the right or duty of the insurance company to make payment for the injury, death, or damage.

(e) The insurance company may settle a claim covered by the policy. If the settlement is made in good faith, the amount of the settlement is deductible from the amounts specified in Section 601.072.

(f) The policy, any written application for the policy, and any rider or endorsement that does not conflict with this chapter constitute the entire contract between the parties.

(g) Subsections (c)-(f) apply to the policy without regard to whether those provisions are stated in the policy.

Acts 1995, 74th Leg., ch. 165, § 1