



# LEGAL BRIEFS

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*FIGHTING FOR THE RIGHTS OF THE INJURED FOR 24 YEARS*

*New law requires insurance companies to disclose limits of coverage in "junk" policies covering only drivers*

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*A new law enacted by the Legislature in this year's session requires insurance companies to be more transparent about the "named driver" auto policies that they have begun selling more often in Texas.*

*Typically, an auto insurance policy issued for a particular vehicle covers the named driver and the members of the driver's family with whom he or she lives.*

*However, insurance companies have begun selling policies in Texas that insure only the named driver. Such policies do not cover family members in the household, so if one of them uses the family vehicle, he or she has no insurance protection.*

*Figures gathered by the Texas Department of Insurance estimate that there are more than 1.2 million auto policies in Texas that cover only the named driver.*

*These policies are usually cheaper, but the insurance companies issuing the policies did not always make clear to their customers the limitations placed on the coverage.*

*Such policies, often called "junk" policies, put other motorists at risk of being hit by an uninsured driver who is unaware that he or she is not covered.*

*The law enacted by the Legislature requires insurance companies that sell "named driver only" policies to disclose the limits of the coverage to the drivers. It requires insurers to notify policyholders orally and in writing that the policy covers no one else in the household. The insurers must also list the names of covered drivers on the insurance ID cards they issue to customers.*

*During the most recent legislative session, members of the Texas House tried to eliminate the policies outright. The House passed a bill that barred sale of the policies by a 108-24 vote. But the bill died in a Senate committee after lobbyists for agents and insurance companies exerted their influence to keep them available.*

*The larger insurance companies generally don't sell "named driver" policies. Thus, smaller companies are able to undercut the premiums charged by larger insurers by offering cheaper, but greatly limited, coverage.*

## Texas still has 2.5 million uninsured drivers despite a significant reduction in recent years

Despite efforts by the state to reduce the number of uninsured drivers on its roadways, more than 2.5 million Texans lack coverage – about 14.3 percent of all drivers.

These statistics send a message to all drivers who maintain their coverage as required by state law - purchase as much uninsured/underinsured motorist coverage as you can afford.

Nevertheless, the number of uninsured drivers in Texas has come down significantly in the past few years from a time when one in five Texas drivers was uninsured.

Texas lawmakers give a lot of the credit for reducing the number uninsured drivers to the TexasSure program launched four years ago. The program is funded with an annual \$1 fee that all Texans pay when renewing their vehicle registration.

TexasSure relies on a massive database containing the names of all insured drivers and their insurance companies matched to their license plate numbers and VIN. When a driver is involved in a collision or stopped for a traffic infraction, a law enforcement officer can enter the plate number or VIN

into TexasSure system to verify coverage.

Other programs have also helped decrease the number of uninsured drivers in the state. Several cities, including Dallas, have passed city ordinances that require mandatory towing of any uninsured vehicle that is involved in collision.

In Dallas, not only must the vehicle owner provide proof of insurance to have the car released, he or she must pay for the cost of the tow, a \$350 fine, and \$20 for every day the car is kept in the storage lot.

Shortly after the no-insurance ordinance passed, Dallas impound lots began to fill up and were full after only nine days.

Along with such measures enacted by municipal governments, then Texas Insurance Department sends out 25,000 notices per week to persons who have a vehicle registered but do not have an insurance policy on file. Since the fall of 2009, nearly 3.4 million notices have been sent.

Still drivers manage to get their vehicles registered and inspected by purchasing 30-day auto insurance policies and then allowing them to lapse.

## Number of trampoline injuries rising for children

With the number of trampoline parks on the rise, so is the rate of trampoline injuries suffered by minor children.

In 2012, the American Academy of Pediatrics publicly discouraged trampoline use after the release of a report that revealed evidence of major trampoline accidents that caused shin and chest fractures, and ankle, spinal and head and neck injuries - some of which resulted in brain damage.

In 2009, 70 injuries occurred for

every 100,000 children aged 0 to 4 years who used trampolines, the report said. Even more significantly, 160 injuries per 100,000 occurred among children between 5 and 14 years of age.

Thus, there are roughly 98,000 trampoline injuries annually.

Trauma doctors in Utah report seeing severe, open wounds that don't typically occur unless the person has been in a high-velocity crash.

California already has trampoline regulations similar to amusement parks.

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