



Southwestern Insurance Information Service

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FACT SHEET

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Author: SIIS

SIIS Office: (512) 795-8214
SIIS Cell: (512) 965-4001 Jerry
(512) 468-6965 Sandra

TEXAS MINIMUM AUTO INSURANCE LIABILITY CHANGES

The 2007 Texas Legislature enacted legislation increasing minimum amounts of motor vehicle liability insurance coverage required to establish financial responsibility under the Texas Motor Vehicle Safety Responsibility Act.

Present law in Texas requires \$20,000/\$40,000 bodily injury liability and \$15,000 property damage. Under the new law, which becomes effective April 1, 2008, minimum limits required are \$25,000 up to 50,000 bodily injury liability and \$25,000 property damage per accident.

The legislation further provides a second increase the minimum amounts of motor vehicle liability limits which will become effective January 1, 2011.

The limits required effective January 1, 2011 are \$30,000 up to \$60,000 bodily injury and \$25,000 property damage per accident.

The new required limits apply to auto insurance policies issued or renewed on or after April 1, 2008. A policy issued or renewed before April 1, 2008 is governed by the current law.

The last time the Legislature increased minimum auto liability coverage in Texas was January 1, 1986. All 50 states have some form of minimum auto liability requirements. Currently 32 states have higher requirements than Texas.

For Additional Information:

8303 N Mopac, Ste B-231
Austin, TX 78759

Phone: (512) 795-8214
Fax: (512) 795-9363