

Section 1. Amend **HB 1131** on page 1 by striking line 17 and 18 and replacing with the following:

Sec. 2306.002. INSURER INTEREST. An insurer may not hold or acquire interest in a repair facility without disclosing such ownership interest.

Section 2. Amend **HB 1131** on page 1 by striking line 19 on page 1 through line 27 on page 2 and inserting the following sections:

Sec. 2306.003. PROHIBITION. An insurer that has any ownership interest in a repair facility may not:

(a) state or suggest, either orally or in writing, to a beneficiary that a repair facility in which the insurer has any ownership interest must be used by a beneficiary in order for the damage repair or parts replacement to be covered by the policy; or

(b) in a settlement of liability claims by a third-party against an insured for property damage claimed by the third-party, require the third-party claimant to have repairs made by a repair facility in which the insurer had any ownership interest.

Sec. 2306.004. PENALTY. Any person alleging any actual damages caused by an insurer's violation of this chapter shall first file a complaint setting forth a claim for damages with the Department of Insurance. The department shall have ninety (90) business days to take action upon this complaint. If the department does not take action within ninety (90) business day, a third-party claimant may bring an action to recover damages for a violation of this chapter. A third-party claimant who prevails in an action under this subsection is entitled to recover:

(1) the claimant's actual damages, not to exceed \$5000;

(2) attorney's fees as described by Chapter 38, Civil Practice and Remedies Code; and

(3) court costs.

Section 3. The effective date of this Act is September 1, 2003.