

BILL ANALYSIS

C.S.H.B. 1838
By: Thompson
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Section 35.02 of the Penal Code defines the penalties imposed for conviction of insurance fraud. However, it does not specify that a person convicted of insurance fraud must repay the insurer for any money or property fraudulently obtained. The courts may order restitution, but are not required to do so by law. Failure to receive restitution can result in significant losses for insurers, which may ultimately contribute to the rising cost of insurance in this state. C.S.H.B. 1838 requires a court to order a defendant convicted of insurance fraud to pay restitution to an affected insurer.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1838 amends the Penal Code to require a court to order a defendant convicted of insurance fraud to pay restitution, including court costs and attorney's fees to an affected insurer.

EFFECTIVE DATE

September 1, 2003.

COMPARISON OF ORIGINAL TO SUBSTITUTE

The substitute conforms the original to Texas Legislative Council style and format.