

BILL ANALYSIS

S.B. 781
By: Fraser
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Under current statute, many times the Insurance Fraud Unit is left powerless in its pursuit to prosecute criminal cases involving unauthorized insurance activity. Many cases with overwhelming evidence of fraud are dismissed because of lack of fraudulent intent. This Act adds language stating that the attorney representing the state is not required to prove that defendants of fraudulent insurance cases were intentional in their actions

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

SECTION 1. Amends Section 101.106, Insurance Code, by adding language to Section 101.106 (a) to define offenders under Section 101.101 as those who intentionally, knowingly or recklessly commit an offense.

SECTION 2. Prospective application.

SECTION 3. Effective date.

EFFECTIVE DATE

Upon passage, or if the Act does not receive the necessary number of votes, the Act takes effect September 1, 2005.

COMPARISON OF SUBSTITUTE TO ENGROSSED

The engrossed version of the bill added Section 101.106 (d), Insurance Code, to remove the requirement of an attorney to prove a culpable mental state in the prosecution of an offense under this section. The substitute removes Subsection (d) and adds language to Subsection (a) to create an offense under this section if it is committed intentionally, knowingly or recklessly.