

By: Rose

H.B. No. 686

A BILL TO BE ENTITLED

AN ACT

relating to the use of certain factors in determining premiums charged for professional liability insurance for physicians and health care providers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Article 5.15-1, Insurance Code, is amended by adding Section 12 to read as follows:

Sec. 12. USE OF CERTAIN LAWSUITS IN UNDERWRITING; REFUND.

(a) An insurer may not consider a lawsuit filed against a physician or health care provider for the purpose of setting premiums for the physician or provider's professional liability insurance if the lawsuit was dismissed by the claimant or non-suited.

(b) An insurer that considers a lawsuit filed against a physician or health care provider in setting premiums for the physician or provider's professional liability insurance shall refund to the physician or provider any increase in premiums paid by the physician or provider that is attributable to that lawsuit if the lawsuit is dismissed by the claimant or non-suited. The insurer shall issue the refund on or before the 30th day after the date the insurer receives written evidence that the lawsuit was dismissed or non-suited.

SECTION 2. The change in law made by this Act applies only to an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2006. An insurance policy issued before

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1 January 1, 2006, is governed by the law in effect immediately before
2 the effective date of this Act, and that law is continued in effect
3 for that purpose.

4 SECTION 3. This Act takes effect September 1, 2005.