

By: Thompson

H.B. No. 2388

Substitute the following for H.B. No. 2388:

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C.S.H.B. No. 2388

A BILL TO BE ENTITLED

AN ACT

relating to insurance fraud reporting requirements.

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

SECTION 1. Section 701.051, Insurance Code, is amended to read as follows:

Sec. 701.051. DUTY TO REPORT. (a) Not later than the 30th day after the date the person makes the determination or reasonably suspects that ~~[A person who determines]~~ a fraudulent insurance act has been or is about to be committed in this state, the person:

(1) shall report the information in writing to the insurance fraud unit of the department, in the format prescribed by the fraud unit or by the National Association of Insurance Commissioners; and

(2) may also report the information to another ~~[or an]~~ authorized governmental agency ~~[not later than the 30th day after the date the person makes the determination]~~.

(b) A report made to ~~[one authorized governmental agency or]~~ the insurance fraud unit ~~[department]~~ constitutes notice to each other authorized governmental agency ~~[and the department]~~.

(c) A person who is a member of an organization primarily dedicated to the detection, investigation, and prosecution of insurance fraud fully complies with the person's obligations under Subsection (a) by authorizing the organization to report on the person's behalf information required to be reported under

1 Subsection (a). The person retains any liability resulting from
2 the failure of the organization to report in a manner that complies
3 with Subsection (a).

4 SECTION 2. Section 701.109, Insurance Code, is amended to
5 read as follows:

6 Sec. 701.109. REQUEST FOR INVESTIGATION BY INSURER. (a)
7 An insurer who conducts [~~must complete~~] an independent
8 investigation of suspected insurance [~~claim~~] fraud is not required
9 to complete that investigation [~~and draft a report of the insurer's~~
10 ~~findings~~] before requesting that the commissioner conduct an
11 investigation.

12 (b) When requesting the commissioner to conduct an
13 investigation, the [~~The~~] insurer shall draft a report of the
14 insurer's findings and [~~must~~] submit the report and any [~~the~~]
15 related investigation file to the commissioner as soon as
16 practicable on the conclusion [~~as part~~] of the insurer's
17 independent [~~request that the commissioner conduct an~~]
18 investigation.

19 SECTION 3. Section 701.052(f), Insurance Code, is repealed.

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