

By: Taylor

H.B. No. 3373

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, as effective April 1, 2005, 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 has reasonable grounds for suspicion, a [A] person who determines or reasonably suspects that a fraudulent insurance act has been or is about to be committed:

(1) shall report the information in writing to the insurance fraud unit of the department, in the format prescribed by the fraud unit; 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 appropriate authorized governmental agency ~~[and the department]~~.

SECTION 2. Section 701.052(b), Insurance Code, as effective April 1, 2005, is amended to read as follows:

(b) A person may furnish information as described in Subsection (a) orally or in writing, including through publishing,

1 disseminating, or filing a bulletin or report. A person may furnish
2 the information anonymously.

3 SECTION 3. Section 701.108, Insurance Code, as effective
4 April 1, 2005, is amended to read as follows:

5 Sec. 701.108. [~~INSURER'S~~] DUTY TO PROVIDE INFORMATION. On
6 the written request of an authorized governmental agency, an
7 insurer, or a person authorized to act on behalf of the insurer,
8 shall provide to the agency any relevant information or material
9 relating to a matter under investigation.

10 SECTION 4. Section 701.109, Insurance Code, as effective
11 April 1, 2005, is amended to read as follows:

12 Sec. 701.109. REQUEST FOR INVESTIGATION BY INSURER. (a)
13 An insurer who conducts [~~must complete~~] an independent
14 investigation of suspected insurance claim fraud is not required to
15 complete that investigation [~~and draft a report of the insurer's~~
16 ~~findings~~] before requesting that the commissioner conduct an
17 investigation.

18 (b) The insurer shall draft a report of the insurer's
19 findings and [~~must~~] submit the report and any [~~the~~] related
20 investigation file to the commissioner as soon as practicable on
21 the conclusion [~~as part~~] of the insurer's independent [~~request that~~
22 ~~the commissioner conduct an~~] investigation.

23 SECTION 5. Section 701.052(f), Insurance Code, as effective
24 April 1, 2005, is repealed.

25 SECTION 6. This Act takes effect September 1, 2005.