

By: Carona

S.B. No. 1841

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the right of a third party to bring a fraud claim
3 against an insurer.

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

5 SECTION 1. Subchapter A, Chapter 541, Insurance Code, is
6 amended by adding Section 541.0035 to read as follows:

7 Sec. 541.0035. COMMON-LAW FRAUD: STANDING OF THIRD PARTY.
8 Nothing in this chapter or this code affects the standing of a third
9 party to bring an action against an insurer for fraud under the
10 common law.

11 SECTION 2. The amendment by this Act of Chapter 541,
12 Insurance Code, is intended to clarify rather than change existing
13 law.

14 SECTION 3. This Act takes effect immediately if it receives
15 a vote of two-thirds of all the members elected to each house, as
16 provided by Section 39, Article III, Texas Constitution. If this
17 Act does not receive the vote necessary for immediate effect, this
18 Act takes effect September 1, 2007.