

By: Martinez Fischer

H.B. No. 4455

A BILL TO BE ENTITLED

AN ACT

relating to prompt payment of insurance claims.

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

SECTION 1. Section 542.056(c) is amended to read as follows:

(c) If the insurer rejects the claim, the notice required by Subsection (a) or (b) must state the reasons for the rejection. An insurer may not rely on any defense that was not stated as a reason for rejection as required by this subsection, unless the court finds that the insurer, in the exercise of reasonable diligence, could not have known of the reason at the time notice was required.

SECTION 2. Section 542.060, Insurance Code, is amended to read as follows:

Sec. 542.060. LIABILITY FOR VIOLATION OF SUBCHAPTER. (a) If an insurer that is liable for a claim under an insurance policy is not in compliance with this subchapter, the insurer is liable to pay the holder of the policy or the beneficiary making the claim under the policy, in addition to the amount of the claim, 18 percent per annum of the amount of such claim as damages, plus prejudgment interest, for each violation [~~interest on the amount of the claim at the rate of 18 percent a year as damages~~], together with reasonable attorney's fees.

(b) Damages shall accrue beginning on the date of the failure to comply, and continuing until the date of compliance.

1 Damages for a failure to pay continue to accrue on any unpaid
2 portion of the claim until the claim is paid in full.

3 (c) [~~(b)~~] If a suit is filed, the attorney's fees shall be
4 taxed as part of the costs in the case.

5 SECTION 3. Chapter 542, Subchapter B, Insurance Code, is
6 amended to add Section 542.062 to read as follows:

7 Sec. 542.062. APPLICATION TO UNINSURED/UNDERINSURED
8 MOTORIST COVERAGE. An insurer that receives notice of a claim for
9 uninsured/underinsured motorist benefits shall not require a final
10 adjudication of liability and shall not delay notice of acceptance
11 or rejection of a claim under Section 542.056 or payment of a claim
12 under Section 542.060 pending such final adjudication.

13 SECTION 4. This Act applies only to an action commenced on
14 or after the effective date of this Act. An action that is
15 commenced before the effective date of this Act is governed by the
16 law applicable to the action immediately before the effective date
17 of this Act, and that law is continued in effect for that purpose.

18 SECTION 5. This Act takes effect immediately if it receives
19 a vote of two-thirds of all the members elected to each house, as
20 provided by Section 39, Article III, Texas Constitution. If this
21 Act does not receive the vote necessary for immediate effect, this
22 Act takes effect September 1, 2009.