

Amend HB 1951 (house committee printing) by adding the following appropriately numbered ARTICLE to the bill and renumbering subsequent ARTICLES of the bill accordingly:

ARTICLE \_\_\_\_ . UNFAIR CLAIM SETTLEMENT PRACTICES

SECTION \_\_\_\_ .001. Section 542.003, Insurance Code, is amended to read as follows:

Sec. 542.003. UNFAIR CLAIM SETTLEMENT PRACTICES PROHIBITED. (a) An insurer engaging in business in this state may not engage in an unfair claim settlement practice.

(b) Any of the following acts by an insurer constitutes unfair claim settlement practices:

(1) knowingly misrepresenting to a claimant pertinent facts or policy provisions relating to coverage at issue;

(2) failing to acknowledge with reasonable promptness pertinent communications relating to a claim arising under the insurer's policy;

(3) failing to adopt and implement reasonable standards for the prompt investigation of claims arising under the insurer's policies;

(4) not attempting in good faith to effect a prompt, fair, and equitable settlement of a claim submitted in which liability has become reasonably clear;

(5) compelling a policyholder to institute a suit to recover an amount due under a policy by offering substantially less than the amount ultimately recovered in a suit brought by the policyholder;

(6) providing to a person compensation in any form that is based on the person's or insurer's decision to:

(A) deny or delay the resolution of a claim; or

(B) cancel or decline to renew an insurance policy;

(7) failing to maintain the information required by Section 542.005; or

(8) [~~7~~] committing another act the commissioner determines by rule constitutes an unfair claim settlement practice.