

Amend HB 1951 as follows:

Insert the following appropriately numbered SECTION and renumber the SECTIONS of the bill accordingly.

SECTION _____. Subtitle C, Title 5, Insurance Code, is amended by adding Chapter 565 to read as follows:

CHAPTER 565. PROHIBITING PRACTICES RELATED TO DISPUTE RESOLUTION.

Sec. 565.001. APPLICABILITY OF CHAPTER. This chapter applies to an insurance policy or other coverage agreement acquired by the covered person for personal, family, or household purposes issued by a company regulated by the commissioner, including:

- (1) a domestic or foreign, stock or mutual, life, health, or accident insurance company;
- (2) a domestic or foreign, stock or mutual, fire or casualty insurance company;
- (3) a Mexican casualty company;
- (4) a domestic or foreign Lloyd's plan;
- (5) a domestic or foreign reciprocal or inter-insurance exchange;
- (6) a domestic or foreign fraternal benefit society;
- (7) a domestic or foreign title insurance company;
- (8) an attorney's title insurance company;
- (9) a stipulated premium company;
- (10) a nonprofit legal service corporation;
- (11) a health maintenance organization;
- (12) a statewide mutual assessment company;
- (13) a local mutual aid association;
- (14) a local mutual burial association;
- (15) an association exempt under Section 887.102;
- (16) a nonprofit hospital, medical, or dental service corporation, including a company subject to Chapter 842;
- (17) a county mutual insurance company; and
- (18) a farm mutual insurance company.

Sec. 565.002. PROVISION REQUIRING ARBITRATION PROHIBITED.

(a) An insurance policy or other coverage agreement may not require the covered person to submit to arbitration a dispute related to the coverage that arises after the agreement is entered into.

(b) If a written agreement that involves the provision of insurance and other services, goods, property, or credit includes a provision that requires a dispute under the agreement to be submitted to arbitration, the agreement must include a clear and conspicuous disclosure that the mandatory arbitration provision does not apply to any insurance-related dispute under the agreement.

(c) A provision in an insurance policy or other coverage agreement that violates this section is void and unenforceable.

Sec. 565.003. LIABILITY. (a) A person described by Section 565.001 that issues a coverage agreement that violates this section is liable to the covered person for:

(1) the covered person's actual damages sustained as a result of the violation;

(2) \$100, regardless of whether actual damages are sustained; and

(3) the covered person's attorney's fees and costs to recover under this subsection.

(b) A contract provision that requires an action to enforce this section to be submitted to arbitration is void and unenforceable.