

BILL ANALYSIS

H.B. 1554
By: Thompson
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Currently, suspected, anticipated, or completed fraudulent insurance acts are required to be reported to certain authorized entities, such as the Department of Insurance's (TDI) fraud unit. Insurers that are members of an organization largely committed to the detection, investigation, and prosecution of insurance fraud may report fraudulent insurance acts to that organization. In turn, the organization reports the information to the TDI fraud unit or another authorized entity on behalf of the insurer.

H.B. 1554 expands the list of authorized entities to which fraudulent insurance acts may be reported.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1554 amends the Insurance Code to add to the conditions under which a person is not liable in nor subject to a civil action, including an action for libel or slander, for furnishing information relating to a suspected, anticipated, or completed fraudulent insurance. The bill provides that a person is not liable for providing such information if the information is provided to an organization primarily dedicated to the detection, investigation, and prosecution of insurance fraud; the person is a member of that organization; and either the person has reported the information to the insurance fraud unit of the Texas Department of Insurance as required by law or the organization has reported the information to the insurance fraud unit on the person's behalf in a manner that fully complies with the person's obligations under state law.

EFFECTIVE DATE

September 1, 2011.