

By: Gutierrez

H.B. No. 1935

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the award of damages for certain deceptive, unfair, and
3 prohibited practices by an insurer.

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

5 SECTION 1. Section 541.152(b), Insurance Code, is amended
6 to read as follows:

7 (b) On a finding by the trier of fact that the defendant
8 knowingly committed the act complained of, the trier of fact shall
9 ~~[may]~~ award the plaintiff ~~[an amount not to exceed]~~ three times the
10 amount of actual damages.

11 SECTION 2. Section 542.060(a), Insurance Code, is amended
12 to read as follows:

13 (a) If an insurer that is liable for a claim under an
14 insurance policy is not in compliance with this subchapter, the
15 insurer is liable to pay the holder of the policy or the beneficiary
16 making the claim under the policy, in addition to the amount of the
17 claim, ~~[interest on the amount of the claim at the rate of]~~ 18
18 percent of the amount of the unpaid balance of the claim per ~~[a]~~
19 year as damages, together with reasonable attorney's fees. Damages
20 under this section begin to accrue on the date on which the insurer
21 becomes liable for failure to comply with this subchapter as
22 determined under Section 542.058 and continue to accrue until the
23 date on which the unpaid balance of the claim is paid.

24 SECTION 3. (a) The change in law made by Section 541.152,

1 Insurance Code, as amended by this Act, applies only to an action
2 for damages arising from an act or practice that occurs on or after
3 the effective date of this Act. An action for damages for an act or
4 practice that occurs before the effective date of this Act is
5 governed by the law in effect immediately before that date, and that
6 law is continued in effect for that purpose.

7 (b) The change in law made by Section 542.060, Insurance
8 Code, as amended by this Act, applies only to liability for a
9 violation of Subchapter B, Chapter 542, Insurance Code, as amended
10 by this Act, that occurs on or after the effective date of this Act.
11 Liability for a violation of Subchapter B, Chapter 542, Insurance
12 Code, that occurs before the effective date of this Act is governed
13 by the law in effect immediately before that date, and that law is
14 continued in effect for that purpose.

15 SECTION 4. This Act takes effect September 1, 2011.