

By: Thompson

H.B. No. 2423

Substitute the following for H.B. No. 2423:

By: Harless

C.S.H.B. No. 2423

A BILL TO BE ENTITLED

AN ACT

relating to certain prohibited practices of third-party administrators relating to automotive glass repair services.

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

SECTION 1. The heading to Chapter 2307, Occupations Code, is amended to read as follows:

CHAPTER 2307. ~~[INSURER]~~ INTERESTS OF INSURERS AND THIRD-PARTY ADMINISTRATORS IN CERTAIN [REPAIR] FACILITIES AND SERVICES;
PROHIBITED PRACTICES

SECTION 2. Section 2307.001, Occupations Code, is amended by adding Subdivisions (1-a), (1-b), and (6-a) to read as follows:

(1-a) "Automotive glass repair service" means a person that engages in the business of automotive glass work.

(1-b) "Automotive glass work" means the installation, maintenance, or repair of fixed or moveable glass in a motor vehicle.

(6-a) "Third-party administrator" means a person, other than a person licensed or otherwise authorized to engage in business under Title 13, Insurance Code, that, in connection with motor vehicle insurance coverage:

(A) collects a charge or premium:

(i) from a resident of this state; or

(ii) paid on behalf of a resident of this state; or

1 (B) provides administrative services to, or
2 inspects or settles a claim by, a resident of this state.

3 SECTION 3. Chapter 2307, Occupations Code, is amended by
4 adding Section 2307.0025 to read as follows:

5 Sec. 2307.0025. DECEPTIVE TRADE PRACTICE. (a) A
6 third-party administrator that holds at least a 10 percent
7 ownership interest in an automotive glass repair service may not:

8 (1) refer a third-party claimant or an insured to the
9 service;

10 (2) coerce a third-party claimant or an insured to use
11 the service; or

12 (3) use consumer information obtained in the process
13 of acting as a third-party administrator to solicit business for
14 the automotive glass repair service.

15 (b) A violation of this section is a false, misleading, or
16 deceptive act or practice within the meaning of Section 17.46,
17 Business & Commerce Code.

18 (c) A public or private right or remedy prescribed by
19 Chapter 17, Business & Commerce Code, may be used to enforce this
20 section.

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