

By: Torres

H.B. No. 3154

Substitute the following for H.B. No. 3154:

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C.S.H.B. No. 3154

A BILL TO BE ENTITLED

AN ACT

relating to commissions paid to public insurance adjusters.

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

SECTION 1. Section 4102.104, Insurance Code, is amended by amending Subsection (a) and adding Subsections (f) and (g) to read as follows:

(a) Except as provided by Subsection (b), a license holder may receive a commission for service provided under this chapter consisting of an hourly fee, a flat rate, a percentage of the total amount paid by an insurer to resolve a claim, or another method of compensation. Subject to Subsection (g), the [The] total commission received, excluding sales tax, may not exceed 10 percent of the amount of the insurance settlement on the claim.

(f) A license holder may be paid a commission that is based, in part, on an amount paid by, or a negotiable instrument issued by, the insurer to an insured before the effective date of the public insurance adjuster's contract with the insured, if the insurer obtains the insured's written consent to the payment.

(g) A commission paid under Subsection (f) may not exceed the lesser of:

(1) 25 percent of the difference between the amount the public insurance adjuster obtained to resolve a claim on behalf of the insured and the amount the insurer initially offered to pay the insured to resolve the claim; or

1           (2) 10 percent of the total amount paid by the insurer  
2 to resolve a claim under Subsection (a).

3           SECTION 2. The changes in law made to Section 4102.104,  
4 Insurance Code, by this Act apply only to a commission paid on or  
5 after the effective date of this Act. A commission paid before the  
6 effective date of this Act is governed by the law in effect  
7 immediately before the effective date of this Act, and that law is  
8 continued in effect for that purpose.

9           SECTION 3. This Act takes effect September 1, 2011.