

BILL ANALYSIS

C.S.H.B. 1183
By: Guillen
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Concerned parties assert that some insurance adjusters who also are roofing contractors engage in insurance fraud by increasing the rate for roofing work and pocketing the price difference. In an effort to prevent this practice and to protect consumers, C.S.H.B. 1183 establishes certain prohibited conduct for insurance adjusters who are involved with a roofing-related business.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of insurance in SECTIONS 1 and 2 of this bill.

ANALYSIS

C.S.H.B. 1183 amends the Insurance Code to prohibit a licensed insurance adjuster from adjusting a loss related to roofing damage on an insurer's behalf if the adjuster is a roofing contractor or otherwise provides roofing services or roofing products for compensation or is a controlling person in a roofing-related business. The bill prohibits a roofing contractor from acting as an adjuster or public adjuster or advertising to adjust claims for any property for which the contractor is providing or may provide roofing services, regardless of whether the contractor is a licensed insurance adjuster or licensed public insurance adjuster. The bill requires the commissioner of insurance to adopt rules necessary to implement and enforce the bill's provisions.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1183 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Chapter 4101, Insurance Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. PROHIBITED CONDUCT

Sec. 4101.251. CERTAIN ROOFING-RELATED BUSINESS PROHIBITED. (a)
An insurance adjuster licensed under this

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Chapter 4101, Insurance Code, is amended by adding Subchapter F to read as follows:

SUBCHAPTER F. PROHIBITED CONDUCT

Sec. 4101.251. CERTAIN ROOFING-RELATED BUSINESS PROHIBITED. (a)
An insurance adjuster licensed under this

chapter may not adjust a loss related to roofing damage on behalf of an insurer if the adjuster is a roofing contractor or otherwise provides roofing services or roofing products for compensation, or is a controlling person in a roofing-related business.

(b) The commissioner shall adopt rules necessary to implement and enforce this section.

SECTION 2. Subchapter D, Chapter 4102, Insurance Code, is amended by adding Section 4102.163 to read as follows:

Sec. 4102.163. CERTAIN ROOFING-RELATED BUSINESS PROHIBITED. (a) A license holder who is a roofing contractor or otherwise provides roofing services or roofing products for compensation, or is a controlling person in a roofing-related business, may not:

(1) act on behalf of an insured in negotiating for or effecting the settlement of a claim for loss related to roofing damage;
or

(2) on behalf of any other public insurance adjuster, investigate, settle, or adjust or advise or assist an insured with a claim for loss related to roofing damage.

(b) The commissioner shall adopt rules necessary to implement and enforce this section.

SECTION 3. This Act takes effect September 1, 2013.

chapter may not adjust a loss related to roofing damage on behalf of an insurer if the adjuster is a roofing contractor or otherwise provides roofing services or roofing products for compensation, or is a controlling person in a roofing-related business.

(b) A roofing contractor may not act as an adjuster or advertise to adjust claims for any property for which the contractor is providing or may provide roofing services, regardless of whether the contractor holds a license under this chapter.

(c) The commissioner shall adopt rules necessary to implement and enforce this section.

SECTION 2. Subchapter D, Chapter 4102, Insurance Code, is amended by adding Section 4102.163 to read as follows:

Sec. 4102.163. CERTAIN ROOFING-RELATED BUSINESS PROHIBITED. (a)

A roofing contractor may not act as a public adjuster or advertise to adjust claims for any property for which the contractor is providing or may provide roofing services, regardless of whether the contractor holds a license under this chapter.

(b) The commissioner shall adopt rules necessary to implement and enforce this section.

SECTION 3. Same as introduced version.