

BILL ANALYSIS

C.S.H.B. 1906
By: Eiland
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law provides insurers with a duty to provide information or material relating to a matter under investigation for insurance fraud to a governmental agency on request but does not provide a time frame in which the insurer is required to respond to the request. Interested parties express concern that important evidence can be lost or altered if too much time passes before the fraud investigators obtain the information. C.S.H.B. 1906 seeks to assist the efficient investigation of insurance fraud in Texas by requiring an insurer to provide relevant information requested by the Texas Department of Insurance in a timely manner.

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

C.S.H.B. 1906 amends the Insurance Code to require an insurer to respond to a request from the Texas Department of Insurance (TDI) for relevant information or material relating to a matter under investigation for insurance fraud not later than the 15th day after the date the request is received. The bill requires TDI to extend the period 10 days on written request of the insurer.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 1906 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. Section 701.108, Insurance Code, is amended to read as follows:
Sec. 701.108. INSURER'S DUTY TO PROVIDE INFORMATION. (a) On the written request of an authorized governmental agency, an insurer shall provide to the agency any relevant information or material relating to a matter under investigation.

(b) An insurer must respond to a request

HOUSE COMMITTEE SUBSTITUTE

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(b) An insurer must respond to a request

under Subsection (a) from the department not later than the 15th day after the date the request is received.

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SECTION 2. Section 701.108, Insurance Code, as amended by this Act, applies only to a request by the Texas Department of Insurance made on or after the effective date of this Act. A request made before the effective date of this Act is governed by the law in effect when the request was made, and the former law is continued in effect for that purpose.

SECTION 2. Same as introduced version.

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

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