

By: Landgraf

H.B. No. 3697

A BILL TO BE ENTITLED

AN ACT

1
2 relating to a study by the Texas Department of Insurance to research
3 and evaluate claims data and the recovery of attorney's fees in
4 first-party insurance claims.

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

6 SECTION 1. The Texas Department of Insurance shall conduct
7 a study to research and evaluate claims data made in the past five
8 years to compare and establish an understanding between first party
9 claims made, legal actions filed by claimants to recover damages,
10 and complaints made by claimants to the Department, if there is any.
11 The study shall also include a discussion from various stakeholders
12 in an effort to more broadly comprehend the issues and provide for
13 the legislature an inclusive report. The Department shall utilize
14 the resources necessary to achieve this directive and publish and
15 distribute a copy of this report to the Governor of Texas, Speaker
16 of the House, and Lieutenant Governor no later than January 1, 2016.

17 SECTION 2. Section 542.062, Insurance Code, is amended to
18 read as follows:

19 (a) In any lawsuit arising out of an insurance claim,
20 whether commercial, property and casualty, automobile, life, or
21 health, and where attorneys' fees are recoverable, a claimant is
22 entitled to recover reasonable and necessary attorneys' fees which
23 shall not be more than the amount of economic damages to which the
24 claimant is legally entitled to recover. This provision applies to

1 any and all causes of action asserted by the claimant whether by
2 statute or common law.

3 (b) JUSTICE COURT CASES. This section does not apply to any
4 lawsuit arising out of an insurance claim filed in Justice Court in
5 Texas. Such a lawsuit will be treated as a Small Claims Case, as
6 defined.

7 SECTION 4. The change in law made by this Act applies only
8 to a cause of action that accrues on or after the effective date of
9 this Act. A cause of action that accrues before the effective date
10 of this Act is governed by the law applicable to the cause of action
11 immediately before the effective date of this Act, and that law is
12 continued in effect for that purpose.

13 SECTION 5. This Act takes effect September 1, 2015.