

BILL ANALYSIS

H.B. 1739
By: Geren
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

There are concerns that there is no penalty for insurance carriers that delay claim evaluations, significantly undervalue claims, or delay or deny payment on valid claims, which may force policy holders with valid automobile insurance claims to bring suit against their own insurance company to receive payment under their policy's uninsured or underinsured motorist coverage. H.B. 1739 seeks to address this issue by prohibiting an insurer from requiring as a prerequisite to asserting a claim under uninsured or underinsured motorist coverage a legal determination establishing the other motorist's liability or uninsured or underinsured status.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

H.B. 1739 amends the Insurance Code to establish that a claimant provides notice of an automobile insurance claim for uninsured or underinsured motorist coverage by providing written notification to the insurer that reasonably informs the insurer of the facts of the claim. The bill prohibits an insurer from requiring as a prerequisite to asserting a claim under uninsured or underinsured motorist coverage a judgment or other legal determination establishing the other motorist's liability or uninsured or underinsured status. Such a judgment or other legal determination is not a prerequisite to having a claim for purposes of statutory provisions relating to unfair methods of competition, unfair or deceptive acts or practices, and processing and settlement of claims. The bill prohibits an insurer from requiring as a prerequisite to payment of benefits under uninsured or underinsured motorist coverage a judgment or other legal determination establishing the other motorist's liability or the extent of the insured's damages before benefits are paid under the policy. The bill requires an insurer to attempt in good faith to effectuate a prompt, fair, and equitable settlement of a claim once liability and damages have become reasonably clear.

H.B. 1739 sets the date on which prejudgment interest accrues on an uninsured or underinsured motorist claim as the earlier of the 180th day after the date the claimant notifies the insurer of the claim or the date on which suit is filed against the insurer to recover under the uninsured or underinsured motorist coverage. The bill establishes that, for purposes of recovery of attorney's fees, a claim for uninsured or underinsured motorist coverage is presented when the insurer receives notice of the claim.

H.B. 1739 expressly does not affect the enforceability of any provision in an insurance policy delivered, issued for delivery, or renewed before January 1, 2020, that conflicts with the bill's provisions.

EFFECTIVE DATE

September 1, 2019.