

BILL ANALYSIS

C.S.H.B. 150
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Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Injured motorists and accident victims need protection from predatory practices by personal and commercial automobile insurers seeking to induce those individuals to orally release their right to a legal claim and settle for an amount that does not align with the true value of the losses. This practice often occurs at the scene of an accident when an injured motorist or accident victim may not be fully aware of the scope of damages, which may result in the individual not receiving full compensation, or any compensation, for injury and repair costs. C.S.H.B. 150 seeks to provide protections to motorists by requiring a release of claims to be made in a written contract.

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

C.S.H.B. 150 amends the Insurance Code to prohibit a claimant, defined by the bill as an insured making a first-party claim or an individual who has a claim for property damage or an injury, and an insurer writing personal or commercial automobile insurance in Texas or another individual or entity from entering into an oral release for claims arising out of property damage or a bodily or psychological injury for which an insurer may be liable under an automobile insurance policy. A release made in exchange for money or other consideration paid for the claimant's claim arising out of such property damage or injury is not enforceable unless the contract is a separate written agreement. The bill applies only to a contract entered into on or after January 1, 2024.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 150 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the definition of "claimant" included in the introduced by including in that definition an insured making a first-party claim.