

## **BILL ANALYSIS**

S.B. 783  
By: Eltife  
Insurance  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

There are concerns regarding the prevalence of insurance fraud in the United States, especially because the costs of fraud are borne by policyholders through increased premiums. Interested parties contend that education and improvements in technology have proven to be effective tools in combating insurance fraud and that public education about insurance fraud can help Texans identify fraud and protect themselves from becoming victims. Similarly, the parties assert that improvements in crime-fighting technology help the insurance fraud unit of the Texas Department of Insurance (TDI) and local law enforcement officials detect and investigate fraudulent insurance activity and take appropriate action quickly. S.B. 783 seeks to address these issues through the development of antifraud educational programs and funding for the TDI fraud unit.

### **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**

S.B. 783 amends the Insurance Code to require the commissioner of insurance, through the insurance fraud unit, to develop fraud prevention educational programs and disseminate materials necessary to educate the public effectively regarding antifraud programs. The bill authorizes the insurance fraud unit to accept gifts, grants, and donations to enable the fraud unit to perform its duties under statutory provisions relating to insurance fraud investigations but prohibits the insurance fraud unit from accepting gifts, grants, or donations from a regulated entity. The bill requires all gifts, grants, or donations to the insurance fraud unit to be deposited to the credit of the Texas Department of Insurance's operating account and distributed to the insurance fraud unit to be used to perform its insurance fraud investigation duties.

### **EFFECTIVE DATE**

September 1, 2015.