

## **BILL ANALYSIS**

C.S.H.B. 1793  
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Insurance  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

It has been suggested that people injured by motorists need protection from predatory practices engaged in by personal and commercial automobile insurers that seek to induce injured motorists into settling and releasing their legal claims for an amount that is insufficient to compensate their losses at a time when these losses are not known with any certainty, which results in costs both to the injured person and medical providers, whose care and services may go uncompensated. C.S.H.B. 1793 seeks to provide protections regarding such oral contracts.

### **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. 1793 amends the Insurance Code to prohibit a claimant 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 in writing. The bill applies only to a contract entered into on or after January 1, 2022.

### **EFFECTIVE DATE**

September 1, 2021.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 1793 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute omits the provision in the original establishing the purpose of the bill.