

- SUBJECT:** Expanding the commissioner of insurance's enforcement authority
- COMMITTEE:** Insurance — favorable, without amendment
- VOTE:** 9 ayes — Frullo, Muñoz, G. Bonnen, Guerra, Meyer, Paul, Sheets, Vo, Workman
0 nays
- WITNESSES:** For — Beaman Floyd, Texas Coalition for Affordable Insurance Solutions; (*Registered, but did not testify:* Jay Thompson, AFACT; Thomas Ratliff, American Insurance Association; Lee Loftis, Independent Insurance Agents of Texas; Paul Martin, National Association of Mutual Insurance Companies)

Against — None

On — (*Registered, but did not testify:* Chris Davis and Kyson Johnson, Texas Department of Insurance)
- BACKGROUND:** Insurance Code, sec. 701.102 gives the commissioner of insurance the authority to investigate a person that the commissioner believes has engaged in or committed — or plans to engage in or commit — a fraudulent insurance act or insurance fraud under Penal Code, sec. 35.02(a). The commissioner may conduct any investigation necessary in this regard to determine whether an act or offense occurred or to aid other agencies in enforcing laws related to insurance fraud.

Many crimes have some of the elements of fraud but fall short of that offense. A prosecutor may have difficulty determining whether a defendant might be guilty of fraud before conducting an investigation.
- DIGEST:** HB 2198 would allow the insurance commissioner to investigate a person that the commissioner believes had engaged in or committed — or planned to engage in or commit — a fraudulent insurance act or any offense under the Penal Code. The insurance commissioner could provide

technical or litigation assistance to other governmental agencies in enforcing laws related to Penal Code offenses.

The bill would take effect September 1, 2015.