

- SUBJECT:** Prohibiting oral releases for automobile insurance claims
- COMMITTEE:** Insurance — committee substitute recommended
- VOTE:** 9 ayes — Oliverson, Vo, J. González, Hull, Israel, Middleton, Paul, Romero, Sanford
- 0 nays
- WITNESSES:** For — Ware Wendell, Texas Watch; John (Lin) McCraw; (*Registered, but did not testify*: Darren Whitehurst, Texas Automobile Dealers Association; Jacob Smith)
- Against — Jon Schnautz, National Association of Mutual Insurance Companies; Beaman Floyd, Texas Coalition for Affordable Insurance Solutions; (*Registered, but did not testify*: Daniel Hodge, Al Boenker Insurance; Joe Woods, American Property and Casualty Insurance Association; John Marlow, Chubb; Susan Ross, State Farm Insurance)
- On — (*Registered, but did not testify*: Jay Thompson, AFACT; Kimberly Donovan, Office of Public Insurance Counsel; Luke Bellsnyder, Texas Department of Insurance)
- BACKGROUND:** It has been suggested that people injured by motorists need protection from predatory practices engaged in by automobile insurers that seek to persuade injured motorists to settle and release their legal claims for an amount insufficient to compensate their losses.
- DIGEST:** CSHB 1793 would prohibit a claimant and another individual or entity, including an insurer writing personal or commercial automobile insurance in the state, from entering into an oral release for claims arising from property damage or an injury for which an insurer could be liable under an automobile insurance policy. A release made in exchange for money or other consideration paid in relation to such claims would not be enforceable unless the contract was in writing.

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The bill would take effect September 1, 2021, and would apply only to a contract entered into on or after January 1, 2022.