

BILL ANALYSIS

Senate Research Center
76R15054 AJA-D

H.B. 643
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Economic Development
5/14/1999
Engrossed

DIGEST

H.B. 643 defines "insurer," provides that an insurer pursuing a claim against a person under a right of subrogation must obtain a judgment or written settlement agreement for the amount of the claim before the insurer may submit information to a credit reporting bureau regarding the amount of the claim or the person's failure to pay the amount of the claim, and provides that a violation of this article is an unfair or deceptive act or practice and is subject to penalty and sanction.

PURPOSE

As proposed, H.B. 643 establishes regulations regarding the reporting of certain information by an insurer to a credit reporting bureau.

RULEMAKING AUTHORITY

This bill does not grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 5, Insurance Code, by adding Article 5.06-8, as follows:

Art. 5.06-8. REPORTING OF AN AMOUNT CLAIMED UNDER A RIGHT OF SUBROGATION. (a) Defines "insurer."

(b) Requires an insurer pursuing a claim against a person under a right of subrogation to obtain a judgment or written settlement agreement for the amount of the claim before the insurer may submit information to a credit reporting bureau regarding the amount of the claim or the person's failure to pay the amount of the claim.

(c) Provides that an insurer who violates this article commits an unfair or deceptive act or practice as defined by Article 21.21 (Unfair Competition and Unfair Practices), Insurance Code, and is subject to each penalty and sanction imposed under that article.

SECTION 2. Effective date: September 1, 1999.
Makes application of this Act prospective.

SECTION 3. Emergency clause.