

BILL ANALYSIS

Senate Research Center
76R10228 AJA-D

C.S.S.B. 1531
By: Carona
Economic Development
4/8/1999
Committee Report (Substituted)

DIGEST

Currently, under Texas law, an unfair settlement practice occurs when an insured person's claim is treated inappropriately by an insurance company. Inappropriate actions may include failure to pay within a reasonable time period or failure to explain why a claim was denied. This bill adds healthcare providers to current law which permits beneficiaries and insureds to seek action for an unfair settlement practice with the aid of a state agency.

PURPOSE

As proposed, C.S.S.B. 1531 allows health care providers, including physicians, to seek an appropriate remedy to the unfair settlement practice with the aid of a state agency.

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 Section 4, Article 21.21, Insurance Code, by amending Subdivision (10), to include health care providers or a person or entity with which one has contracted to provide services to an insured or beneficiary among those in a claim under the unfair settlement practice regulations. Makes conforming changes.

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

SECTION 3. Emergency clause.

SUMMARY OF COMMITTEE CHANGES

SECTION 1.

Amends Section 4, Article 21.21, Insurance Code, by amending Subdivision (10), to include health care providers or a person or entity with which one has contracted to provide services to an insured or beneficiary among those in a claim under the unfair settlement practice regulations.
Deletes proposed SECTION 1.