

BILL ANALYSIS

Senate Research Center
79R3228 PB-D

S.B. 782
By: Fraser
Business & Commerce
3/10/2005
As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

Article 21.78, Insurance Code (recodified as Chapter 702, Insurance Code) provides that upon written request of a governmental entity, an insurer is required to provide any relevant information the insurer has that relates to a specific motor vehicle theft or motor vehicle insurance fraud. Research on Article 21.78 indicates that this article was the first insurance fraud statute enacted and it was not amended or repealed when Article 1.10D was enacted in 1991. Article 1.10D creates the Insurance Fraud Unit in the Texas Department of Insurance (TDI) and provides for the comprehensive investigation and reporting of insurance fraud.

There are some provisions in Article 21.78, Insurance Code, that are in conflict with Article 1.10D, Insurance Code, and differing definitions of the same terms exist within the two statutes. TDI is concerned that these differences could create problems with enforcement and could create a defense challenge to its authority to discipline or prosecute persons committing insurance fraud.

As proposed, S.B. 782 repeals Article 21.78 (recodified as Chapter 702), Insurance Code, to remove conflicting provisions in the code regarding the investigation and reporting of insurance fraud.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Repealer: Chapter 702 (Motor Vehicle Theft and Motor Vehicle Insurance Fraud Reporting), Insurance Code, as effective April 1, 2005.

SECTION 2. Effective date: upon passage or September 1, 2005.