

BILL ANALYSIS

H.B. 2198
By: Smithee
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties have expressed concern that current law providing for Texas Department of Insurance (TDI) authority to investigate insurance fraud and aid in enforcing laws related to fraudulent insurance acts include an outdated reference with regard to the investigation of the offense of insurance fraud under a Penal Code provision that was amended to reflect increasingly sophisticated and complex fraudulent insurance activity. The parties contend that the Insurance Code has not been updated since, and offenses are often investigated and prosecuted by TDI under other provisions of the Penal Code. The parties further note that while TDI is not required to act under that provision to investigate fraudulent insurance acts, the specific reference creates an inconsistency between the two codes. H.B. 2198 seeks to address this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 2198 amends the Insurance Code to broaden the commissioner of insurance's authority to investigate the Penal Code offense of insurance fraud to include the investigation of any offense under the Penal Code. The bill specifies that the commissioner's investigative authority in aiding the enforcement of laws relating to fraudulent insurance acts or Penal Code offenses includes providing technical or litigation assistance to other governmental agencies.

EFFECTIVE DATE

September 1, 2015.