

- SUBJECT:** Venue for certain crimes regarding insurance fraud
- COMMITTEE:** Insurance — favorable, without amendment
- VOTE:** 8 ayes — Smithee, T. Smith, Taylor, Hancock, Martinez, Thompson, Vo, Woolley
- 0 nays
- 1 absent — Eiland
- SENATE VOTE:** On final passage, May 1 — 31-0, on Local and Uncontested Calendar
- WITNESSES:** (*On House companion bill, HB 1245 by Taylor:*)
For — (*Registered, but did not testify:* Will Davis, Texas Association Life and Health Insurers; Paula Fernandez, State Farm; Beaman Floyd, Allstate, American Insurance Association, Nationwide, State Farm, USAA (TCAIS); Shelton Green, Texas Association of Business; Jonna Kay Hamilton, Nationwide Insurance; Shannon Meroney, Aetna; Kevin Petroff, Harris County District Attorney’s Office; Jonathan Sibley, Association of Fire and Casualty Companies of Texas; James Langford, Texas Farm Bureau Mutual Insurance Company)
- Against — Steve Mostyn, Texas Trial Lawyers Association
- On — Dennis Pompa, Texas Department of Insurance
- BACKGROUND:** Insurance Code, sec. 85.051 states that a person who violates the Penal Code or a penal provision in the Insurance Code while engaged in the business of insurance may be prosecuted in Travis County or a county in which prosecution is authorized under the Code of Criminal Procedure.
- Code of Criminal Procedure, art. 13.18 maintains that if venue is not specifically stated, the proper county for the prosecution of offenses is that in which the offense was committed. Art. 13.19 holds that if an offense has been committed within the state and it cannot readily be determined within which county or counties the offense was committed, trial may be held in the county in which the defendant resides, in the county in which

the defendant is apprehended, or in the county to which the defendant is extradited.

DIGEST:

SB 1715 would add Code of Criminal Procedure, art. 13.13 to establish that an offense of insurance fraud under Penal Code, ch. 35 could be prosecuted in:

- the county where the offense was committed;
- any county in which a defendant had control or possession of any proceeds of the offense or any document, record, or property used in furtherance of the offense or made any statement in furtherance of the offense; or
- the county in which a prosecution could be brought under Insurance Code, sec. 85.051.

The bill would take effect September 1, 2007 and would apply only to an offense committed on or after that date.

**SUPPORTERS
SAY:**

SB 1715 would specify criteria for insurance fraud venue and provide local prosecuting attorneys with more options to pursue such crimes. Prosecutors have encountered difficulties in determining venue for cases in which various elements of the offense took place in several different parts of the state or in Texas and surrounding states. This has become more of an issue as insurance fraud rings proliferate. SB 1715 would establish specific venue for insurance fraud and, in particular, would give the Texas Department of Insurance's fraud unit greater latitude in referring cases.

**OPPONENTS
SAY:**

SB 1715 is not necessary because existing venue laws in the Code of Criminal Procedure and the Insurance Code grant essentially the same venue. The bill arguably could create somewhat broader venue to prosecute insurance fraud in Travis County.

NOTES:

The identical companion bill, HB 1245 by Taylor, was reported favorably by the Insurance Committee on May 2.