

BILL ANALYSIS

Senate Research Center

H.B. 2569
By: Thompson (Fraser)
Business & Commerce
5/12/2007
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Chapter 702 (Motor Vehicle Theft and Motor Vehicle Insurance Fraud Reporting), Insurance Code, requires an insurer to provide any relevant information the insurer has relating to a specific motor vehicle theft or motor vehicle insurance fraud upon written request of a governmental entity. Research indicates that Chapter 702, Insurance Code, was the first statute enacted regarding insurance fraud and was not amended or repealed upon enactment of Article 1.10D (the predecessor to Chapter 701, Insurance Code) in 1991. Chapter 701 (Insurance Fraud Investigations), Insurance Code, creates the Insurance Fraud Unit in the Texas Department of Insurance (TDI) and provides for the comprehensive investigation and reporting of insurance fraud. Some provisions of Chapter 702 conflict with Chapter 701 and each statute contains differing definitions of the same terms. TDI is concerned that these differences could create enforcement problems and provide a defense to challenges against TDI's authority to discipline or prosecute persons committing insurance fraud.

H.B. 2569 repeals Chapter 702, Insurance Code, to remove conflicting provisions in the Insurance 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, 2007.