

BILL ANALYSIS

Senate Research Center
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S.B. 1272
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

When a plaintiff brings suit against an insured individual, damages awarded are usually paid by the insurance carrier. Currently, injured parties are not authorized to file suit against carriers directly, however. Oftentimes, an person involved in a home or car accident does not want to file suit against the other involved individual for some reason, such as a familial relationship with that person. In such cases, the person simply wants to recover damages from the carrier. The ability of a plaintiff to bring suit directly against a carrier, rather than the individual who committed the tort, would remedy such a situation. It would also expedite the judicial process and save a defendant the burden of going to trial only to have the defendant's insurance pay the damages.

As proposed, S.B. 1272 provides that an insurance carrier that issued a liability policy to a person involved in a lawsuit is a proper party to the suit.

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. Amends Subtitle A, Title 10, Insurance Code, by adding Chapter 1810, as follows:

CHAPTER 1810. INSURER AS PROPER PARTY TO SUIT

Sec. 1810.001. DEFINITION. Defines "insurer."

Sec. 1810.002. INSURER IS PROPER PARTY. Provides that in a suit for recovery of damages in which a defendant is insured under a liability insurance policy that may provide coverage for any damages, the insurer that issued the policy is a proper party to a suit.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2007.