

## **BILL ANALYSIS**

Senate Research Center

H.B. 1477  
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Economic Development  
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Engrossed

### **DIGEST**

Currently, the Texas Catastrophe Property Insurance Association (TCPIA) is composed of all Texas property and casualty insurers. TCPIA is governed by a nine member board of directors (board). The commissioner of insurance appoints the board members representing insurance agents and consumers. All of the board members serve on a volunteer basis and are not compensated for their services. Additionally, the board members are not protected from liability for most actions undertaken in the course of their official duties. This lack of liability protection may be a reason why some individuals are unwilling to serve on the board. This bill would establish immunity from liability of the TCPIA board of directors arising for any action or failure to act in the performance of its duties.

### **PURPOSE**

As proposed, H.B. 1477 sets forth immunity from liability for the board of directors of the Texas Catastrophe Property Insurance Association.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 9A(a), Article 21.49, Insurance Code, to authorize any person insured under this Act who is aggrieved by an act, ruling, or decision of the Texas Catastrophe Property Insurance Association (TCPIA) relating to payment of, the amount of, or the denial of a claim to elect to bring an action, against TCPIA in a court of competent jurisdiction or to appeal the act, ruling, or decision under Section 9 of this Article, except as provided by Section 10 of this Article.

SECTION 2. Amends Section 10, Article 21.49, Insurance Code, to provide that there shall be no liability on the part of and no cause of action of any nature shall arise against a director of TCPIA for any action or failure to act in the performance of official powers and duties under this Article, except that immunity from liability and suit does not extend to any bad faith act or failure to act, or to an act or failure to act that involves gross negligence, intentional misconduct, or a knowing violation of the law. Makes a conforming change.

SECTION 3. Effective date: September 1, 1997.  
Makes application of this Act prospective.

SECTION 4. Emergency clause.