

BILL ANALYSIS

Senate Research Center

S.B. 1064
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Economic Development
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As Filed

DIGEST

Currently, a 19th century rule of evidence, the “collateral source rule,” prevents a defendant from introducing evidence that the plaintiff has been compensated for damages by insurance or workers’ compensation, or that any future bills will be paid by a third party. The majority of states have abolished the collateral source rule and allow juries to decide cases after hearing all the evidence. Texas is one of only 14 states that applies the common law collateral source rule in all tort actions without exception. S.B. 1064 would establish the Supreme Court Advisory Committee on Collateral Benefits to assist the legislature in determining whether the Civil Practice and Remedies Code or the Texas Rules of Civil Procedure should be amended to authorize the admission of evidence of collateral benefits paid to claimants in civil lawsuits and to require the reduction of unjustified double recovery in civil cases.

PURPOSE

As proposed, S.B. 1064 establishes a supreme court advisory committee to study unjustified double recovery in certain civil actions.

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 Title 6, Civil Practice and Remedies Code, by adding Chapter 145, as follows:

CHAPTER 145. SUPREME COURT ADVISORY COMMITTEE ON TREATMENT OF COLLATERAL BENEFITS IN DAMAGE CALCULATIONS

Sec. 145.001. DEFINITION. Defines “collateral benefits.”

Sec. 145.002. APPOINTMENT OF ADVISORY COMMITTEE. Requires the supreme court to appoint an advisory committee of no less than 15 persons, including legislators, judges, and other persons, to assist the legislature in determining whether this code or the Texas Rules of Civil Procedure should be amended to authorize the admission of evidence of collateral benefits paid to claimants in civil lawsuits and to require the reduction of unjustified double recovery in civil cases by the amount of collateral benefits paid to claimants in civil lawsuits. Requires the committee to be known as the Supreme Court Advisory Committee on Collateral Benefits (committee).

Sec. 145.003. REPORT OF FINDINGS. Requires the committee to prepare a report of its findings regarding unjustified double recovery of collateral benefits and deliver copies of the report to the chief justice of the supreme court, the lieutenant governor, and the speaker of the house representatives.

Sec. 145.004. REVIEW OF RULES. Requires the supreme court to review the Texas Rules of Civil Procedure to determine changes needed to incorporate the committee’s recommendations, if the committee makes recommendations regarding unjustified double recovery of collateral benefits.

SECTION 2. Effective date: September 1, 1999.

SECTION 3. Emergency clause.