

BILL ANALYSIS

Senate Research Center

S.B. 1604
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DIGEST AND PURPOSE

Article 21.21-6 of the Insurance Code prohibits unfair discrimination based on a variety of factors, including race, color, religion, national origin, age, gender, marital status, geographic location, and disability. As proposed, S.B. 1604 authorizes a person who believes he or she has been a victim of illegal discrimination based on any of those factors to bring a cause of action against the insurance company.

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 Subchapter B, Chapter 21, Insurance Code, by adding Section 6 to Article 21.21-6 on Unfair Discrimination, as follows:

Sec. 6. (a) Authorizes a person who has sustained economic damages as a result of another's engaging in unfair discrimination, as defined in Section 3 of this article, to maintain an action against the person or persons engaging in such acts or practices in a district court in Travis County, Texas, and not elsewhere.

(b) Authorizes a plaintiff who prevails in a suit filed under this article to obtain:

- (1) the amount of economic damages plus court costs and attorneys' fees. Authorizes court costs to include any reasonable and necessary expert witness fees. Authorizes the court to award a civil penalty in an amount of not more than \$25,000 per claimant, if the trier of fact finds that the defendant knowingly committed any acts prohibited by this article; and
- (2) an order enjoining such acts or failure to act.

(c) Requires that all actions under this article be commenced within two years after the date on which the unfair discrimination occurred or within two years after the person bringing the action discovered or, in the exercise of reasonable diligence, should have discovered the occurrence of unfair discrimination.

SECTION 2. Amends Article 21.21-8, Section 3(c), as follows:

Sec. 3. (c) Requires all actions under this article to be commenced within two years, rather than 12 months, after the date on which the plaintiff was denied insurance or the unfair act discrimination occurred or within two years after the person bringing the action discovered or, in the exercise of reasonable diligence, should have discovered the occurrence of unfair discrimination.

Effective date: 91 days after adjournment. [Bill as drafted does not contain a specific effective date.]