

## **BILL ANALYSIS**

Senate Research Center  
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C.S.S.B. 411  
By: Carona  
Business & Commerce  
2/26/2013  
Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under Section 701.108 (Insurer's Duty to Provide Information), Insurance Code, insurers have a duty to provide information or material requested by an authorized governmental agency relating to a matter under investigation. The fraud unit of the Texas Department of Insurance (TDI) issues requests to insurers relating to criminal fraud investigations under the authority of this statute. Currently, there is no timeline within which the insurers must respond to those requests, although fraud investigations are time-sensitive and accumulating relevant evidence is necessary for the fraud unit's investigation.

C.S.S.B. 411 amends Section 701.108 to establish a 15-day timeframe, with an extension period of 10 days upon an insurer's written request, within which responses to requests for information or material related to an investigation are due to TDI.

C.S.S.B. 411 amends current law relating to insurers' duty to provide information in a fraud investigation.

### **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 Section 701.108, Insurance Code, as follows:

Sec. 701.108. INSURER'S DUTY TO PROVIDE INFORMATION. (a) Creates this subsection from existing text. Requires an insurer, on the written request of an authorized governmental agency, to provide to the agency any relevant information or material relating to a matter under investigation.

(b) Requires an insurer to respond to a request under Subsection (a) from the Texas Department of Insurance (TDI) not later than the 15th day after the date the request is received. Requires TDI, on written request of the insurer, to extend the period 10 days.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2013.