



NEW TEXAS COVERAGE CASE ALERT – September 15, 2010

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Texas Department of Insurance Issues Bulletin Regarding Notification of Claimant/Plaintiff When Settlement Checks Issued Payable Jointly to Client and Lawyer

An August 31, 2010 bulletin issued by the Texas Department of Insurance is asking insurers to implement a “payee notification policy” to address the problem of lawyers for plaintiffs/claimants not properly accounting to their client for settlement funds received in settlement of the claim/suit. The bulletin “strongly encourages” all insurers issuing settlement checks payable to both the claimant and his/her attorney to provide written notice of same directly to the claimant/plaintiff. The bulletin was apparently issued by TDI at the request of the State Bar of Texas which maintains a Client Security Fund which pays up to \$30,000 when a lawyer takes the client’s money. The bulletin, according to TDI, is intended to “cut down on a problem.” TDI was apparently not aware of the problem until the State Bar raised it.

A copy of the bulletin can be found on the TDI website:

<http://www.tdi.state.tx.us/bulletins/2010/cc34.html>

If you wish to discuss any insurance-related issues or needs, please feel free to contact Schubert & Evans, P.C. at 214.744.4400 or visit our website at www.schubertevans.com.