

By: Smithee, Oliverson

H.B. No. 3433

Substitute the following for H.B. No. 3433:

By: Oliverson

C.S.H.B. No. 3433

A BILL TO BE ENTITLED

1 AN ACT
2 relating to prohibited discrimination on the basis of an
3 individual's political affiliation or expression by certain
4 insurers.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Chapter 544, Insurance Code, is amended by
7 adding Subchapter M to read as follows:

8 SUBCHAPTER M. POLITICAL AFFILIATION AND EXPRESSION

9 Sec. 544.601. APPLICABILITY OF SUBCHAPTER. This subchapter
10 applies to:

11 (1) any legal entity engaged in the business of
12 insurance in this state, including:

13 (A) a capital stock insurance company;

14 (B) a mutual insurance company;

15 (C) a title insurance company;

16 (D) a fraternal benefit society;

17 (E) a local mutual aid association;

18 (F) a statewide mutual assessment company;

19 (G) a county mutual insurance company;

20 (H) a Lloyd's plan;

21 (I) a reciprocal or interinsurance exchange;

22 (J) a stipulated premium company;

23 (K) a group hospital service corporation;

24 (L) a farm mutual insurance company;

1 (M) a risk retention group;

2 (N) an eligible surplus lines insurer; and

3 (O) an agent, broker, adjuster, or life and
4 health insurance counselor; and

5 (2) a health maintenance organization.

6 Sec. 544.602. PROHIBITION. Except as provided by Section
7 544.603, a person may not refuse to insure or provide coverage to an
8 individual, refuse to continue to insure or provide coverage to an
9 individual, limit the amount, extent, or kind of coverage available
10 for an individual, or charge an individual a rate that is different
11 from the rate charged to other individuals for the same coverage
12 because of the individual's political affiliation or expression.

13 Sec. 544.603. EXCEPTIONS. A person does not violate
14 Section 544.602 if the refusal, limitation, or charge is:

15 (1) based on sound underwriting or actuarial
16 principles reasonably related to actual or anticipated loss
17 experience; or

18 (2) required or authorized by law or a regulatory
19 mandate.

20 Sec. 544.604. ENFORCEMENT ACTIONS. (a) A health
21 maintenance organization or legal entity engaged in the business of
22 insurance that is found to be in violation of or to have failed to
23 comply with this subchapter is subject to the sanctions provided by
24 Chapter 82 or administrative penalties authorized under Chapter 84.

25 (b) In addition to the procedures provided by Subsection
26 (a), the commissioner may use the cease and desist procedures
27 authorized by Chapter 83.

1 SECTION 2. Subchapter M, Chapter 544, Insurance Code, as
2 added by this Act, does not apply to an insurance policy that is
3 delivered, issued for delivery, or renewed before the effective
4 date of this Act.

5 SECTION 3. This Act takes effect September 1, 2021.