

1-1 By: Smithee, Oliverson (Senate Sponsor - Hughes) H.B. No. 3433
 1-2 (In the Senate - Received from the House May 17, 2021;
 1-3 May 17, 2021, read first time and referred to Committee on State
 1-4 Affairs; May 21, 2021, reported favorably by the following vote:
 1-5 Yeas 9, Nays 0; May 21, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to prohibited discrimination on the basis of an
 1-20 individual's political affiliation or expression by certain
 1-21 insurers.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Chapter 544, Insurance Code, is amended by
 1-24 adding Subchapter M to read as follows:

1-25 SUBCHAPTER M. POLITICAL AFFILIATION AND EXPRESSION

1-26 Sec. 544.601. APPLICABILITY OF SUBCHAPTER. This subchapter
 1-27 applies to:

1-28 (1) any legal entity engaged in the business of
 1-29 insurance in this state, including:

- 1-30 (A) a capital stock insurance company;
- 1-31 (B) a mutual insurance company;
- 1-32 (C) a title insurance company;
- 1-33 (D) a fraternal benefit society;
- 1-34 (E) a local mutual aid association;
- 1-35 (F) a statewide mutual assessment company;
- 1-36 (G) a county mutual insurance company;
- 1-37 (H) a Lloyd's plan;
- 1-38 (I) a reciprocal or interinsurance exchange;
- 1-39 (J) a stipulated premium company;
- 1-40 (K) a group hospital service corporation;
- 1-41 (L) a farm mutual insurance company;
- 1-42 (M) a risk retention group;
- 1-43 (N) an eligible surplus lines insurer; and
- 1-44 (O) an agent, broker, adjuster, or life and
 1-45 health insurance counselor; and

1-46 (2) a health maintenance organization.

1-47 Sec. 544.602. PROHIBITION. Except as provided by Section
 1-48 544.603, a person may not refuse to insure or provide coverage to an
 1-49 individual, refuse to continue to insure or provide coverage to an
 1-50 individual, limit the amount, extent, or kind of coverage available
 1-51 for an individual, or charge an individual a rate that is different
 1-52 from the rate charged to other individuals for the same coverage
 1-53 because of the individual's political affiliation or expression.

1-54 Sec. 544.603. EXCEPTIONS. A person does not violate
 1-55 Section 544.602 if the refusal, limitation, or charge is:

1-56 (1) based on sound underwriting or actuarial
 1-57 principles reasonably related to actual or anticipated loss
 1-58 experience; or

1-59 (2) required or authorized by law or a regulatory
 1-60 mandate.

1-61 Sec. 544.604. ENFORCEMENT ACTIONS. (a) A health

2-1 maintenance organization or legal entity engaged in the business of
2-2 insurance that is found to be in violation of or to have failed to
2-3 comply with this subchapter is subject to the sanctions provided by
2-4 Chapter 82 or administrative penalties authorized under Chapter 84.

2-5 (b) In addition to the procedures provided by Subsection
2-6 (a), the commissioner may use the cease and desist procedures
2-7 authorized by Chapter 83.

2-8 SECTION 2. Subchapter M, Chapter 544, Insurance Code, as
2-9 added by this Act, does not apply to an insurance policy that is
2-10 delivered, issued for delivery, or renewed before the effective
2-11 date of this Act.

2-12 SECTION 3. This Act takes effect September 1, 2021.

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