

By: Oliverson, Anderson, Middleton, Frank,
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H.B. No. 3924

Substitute the following for H.B. No. 3924:

By: Oliverson

C.S.H.B. No. 3924

A BILL TO BE ENTITLED

1 AN ACT

2 relating to health benefits offered by certain nonprofit
3 agricultural organizations.

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

5 SECTION 1. The heading to Subtitle K, Title 8, Insurance
6 Code, is amended to read as follows:

7 SUBTITLE K. CERTAIN BENEFITS AND ARRANGEMENTS THAT ARE NOT
8 INSURANCE [~~HEALTH CARE SHARING MINISTRIES~~]

9 SECTION 2. Subtitle K, Title 8, Insurance Code, is amended
10 by adding Chapter 1682 to read as follows:

11 CHAPTER 1682. HEALTH BENEFITS PROVIDED BY CERTAIN NONPROFIT
12 AGRICULTURAL ORGANIZATIONS

13 Sec. 1682.001. DEFINITIONS. In this chapter:

14 (1) "Nonprofit agricultural organization" means an
15 organization that:

16 (A) is exempt from taxation under Section 501(a),
17 Internal Revenue Code of 1986, as an organization described by
18 Section 501(c)(5) of that code;

19 (B) is domiciled in this state;

20 (C) was in existence prior to 1940;

21 (D) is composed of members who are residents of
22 at least 98 percent of the counties in this state;

23 (E) collects annual dues from its members; and

24 (F) was created to promote and develop the most

1 profitable and desirable system of agriculture and the most
2 wholesome and satisfactory conditions of rural life in accordance
3 with its articles of organization and bylaws.

4 (2) "Nonprofit agricultural organization health
5 benefits" means health benefits:

6 (A) sponsored by a nonprofit agricultural
7 organization or an affiliate of the organization;

8 (B) offered only to:

9 (i) members of the nonprofit agricultural
10 organization; and

11 (ii) family members of members of the
12 nonprofit agricultural organization;

13 (C) that are not provided through an insurance
14 policy or other product the offering or issuance of which
15 constitutes the business of insurance in this state; and

16 (D) that are deemed by the nonprofit agricultural
17 organization to be important in assisting its members to live long
18 and productive lives.

19 Sec. 1682.002. NONPROFIT AGRICULTURAL ORGANIZATION HEALTH
20 BENEFITS AUTHORIZED. A nonprofit agricultural organization or an
21 affiliate of the organization may offer in this state nonprofit
22 agricultural organization health benefits.

23 Sec. 1682.003. REQUIRED DISCLOSURE BY NONPROFIT
24 AGRICULTURAL ORGANIZATION. (a) A nonprofit agricultural
25 organization that offers nonprofit agricultural organization
26 health benefits must provide to an individual applying for
27 nonprofit agricultural organization health benefits written notice

1 that the benefits are not provided through an insurance policy or
2 other product the offering or issuance of which is regulated as the
3 business of insurance in this state.

4 (b) An individual must sign and return to the nonprofit
5 agricultural organization the notice described by Subsection (a)
6 before the individual may enroll in nonprofit agricultural
7 organization health benefits. The nonprofit agricultural
8 organization must:

9 (1) maintain a copy of the signed written notice for
10 the duration of the term during which the nonprofit agricultural
11 organization health benefits are provided to the individual; and

12 (2) at the request of the individual, provide a copy of
13 the written notice to the individual.

14 Sec. 1682.004. NONPROFIT AGRICULTURAL ORGANIZATION NOT
15 ENGAGED IN BUSINESS OF INSURANCE. Notwithstanding any other
16 provision of this code, for the purposes of offering nonprofit
17 agricultural organization health benefits, a nonprofit
18 agricultural organization that acts in accordance with this chapter
19 is not an insurer and is not engaging in the business of insurance
20 in this state.

21 Sec. 1682.005. RISK TRANSFER OR COVERAGE. A nonprofit
22 agricultural organization that offers nonprofit agricultural
23 organization health benefits under this chapter may contract with a
24 company authorized to engage in the business of insurance in this
25 state that is not under common control with the nonprofit
26 agricultural organization to:

27 (1) transfer to that company all or a portion of the

1 organization's risks arising from nonprofit agricultural
2 organization health benefits offered under this chapter; or

3 (2) obtain insurance coverage from the company
4 guarantying the nonprofit agricultural organization's obligations
5 arising from nonprofit agricultural organization health benefits
6 offered under this chapter.

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