

1-1 By: Oliverson, et al. (Senate Sponsor - Springer) H.B. No. 3924
 1-2 (In the Senate - Received from the House May 5, 2021;
 1-3 May 10, 2021, read first time and referred to Committee on Business
 1-4 & Commerce; May 13, 2021, reported favorably by the following vote:
 1-5 Yeas 5, Nays 3; May 13, 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 health benefits offered by certain nonprofit
 1-20 agricultural organizations.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. The heading to Subtitle K, Title 8, Insurance
 1-23 Code, is amended to read as follows:

1-24 SUBTITLE K. CERTAIN BENEFITS AND ARRANGEMENTS THAT ARE NOT
 1-25 INSURANCE [~~HEALTH CARE SHARING MINISTRIES~~]

1-26 SECTION 2. Subtitle K, Title 8, Insurance Code, is amended
 1-27 by adding Chapter 1682 to read as follows:

1-28 CHAPTER 1682. HEALTH BENEFITS PROVIDED BY CERTAIN NONPROFIT
 1-29 AGRICULTURAL ORGANIZATIONS

1-30 Sec. 1682.001. DEFINITIONS. In this chapter:

1-31 (1) "Nonprofit agricultural organization" means an
 1-32 organization that:

1-33 (A) is exempt from taxation under Section 501(a),
 1-34 Internal Revenue Code of 1986, as an organization described by
 1-35 Section 501(c)(5) of that code;

1-36 (B) is domiciled in this state;

1-37 (C) was in existence prior to 1940;

1-38 (D) is composed of members who are residents of
 1-39 at least 98 percent of the counties in this state;

1-40 (E) collects annual dues from its members; and

1-41 (F) was created to promote and develop the most
 1-42 profitable and desirable system of agriculture and the most
 1-43 wholesome and satisfactory conditions of rural life in accordance
 1-44 with its articles of organization and bylaws.

1-45 (2) "Nonprofit agricultural organization health
 1-46 benefits" means health benefits:

1-47 (A) sponsored by a nonprofit agricultural
 1-48 organization or an affiliate of the organization;

1-49 (B) offered only to:

1-50 (i) members of the nonprofit agricultural
 1-51 organization; and

1-52 (ii) family members of members of the
 1-53 nonprofit agricultural organization;

1-54 (C) that are not provided through an insurance
 1-55 policy or other product the offering or issuance of which
 1-56 constitutes the business of insurance in this state; and

1-57 (D) that are deemed by the nonprofit agricultural
 1-58 organization to be important in assisting its members to live long
 1-59 and productive lives.

1-60 (3) "Preexisting condition" means a condition present
 1-61 before the effective date of an individual's enrollment in

2-1 nonprofit agricultural organization health benefits.
 2-2 Sec. 1682.002. NONPROFIT AGRICULTURAL ORGANIZATION HEALTH
 2-3 BENEFITS AUTHORIZED. A nonprofit agricultural organization or an
 2-4 affiliate of the organization may offer in this state nonprofit
 2-5 agricultural organization health benefits.
 2-6 Sec. 1682.003. WAITING PERIOD FOR PREEXISTING CONDITION.
 2-7 Notwithstanding any other provision of this chapter, a nonprofit
 2-8 agricultural organization that offers nonprofit agricultural
 2-9 organization health benefits may not require a waiting period of
 2-10 more than six months for treatment of a preexisting condition
 2-11 otherwise included in nonprofit agricultural organization health
 2-12 benefits.
 2-13 Sec. 1682.004. REQUIRED DISCLOSURE BY NONPROFIT
 2-14 AGRICULTURAL ORGANIZATION. (a) A nonprofit agricultural
 2-15 organization that offers nonprofit agricultural organization
 2-16 health benefits must provide to an individual applying for
 2-17 nonprofit agricultural organization health benefits written notice
 2-18 that the benefits are not provided through an insurance policy or
 2-19 other product the offering or issuance of which is regulated as the
 2-20 business of insurance in this state.
 2-21 (b) An individual must sign and return to the nonprofit
 2-22 agricultural organization the notice described by Subsection (a)
 2-23 before the individual may enroll in nonprofit agricultural
 2-24 organization health benefits. The nonprofit agricultural
 2-25 organization must:
 2-26 (1) maintain a copy of the signed written notice for
 2-27 the duration of the term during which the nonprofit agricultural
 2-28 organization health benefits are provided to the individual; and
 2-29 (2) at the request of the individual, provide a copy of
 2-30 the written notice to the individual.
 2-31 Sec. 1682.005. NONPROFIT AGRICULTURAL ORGANIZATION NOT
 2-32 ENGAGED IN BUSINESS OF INSURANCE. Notwithstanding any other
 2-33 provision of this code, for the purposes of offering nonprofit
 2-34 agricultural organization health benefits, a nonprofit
 2-35 agricultural organization that acts in accordance with this chapter
 2-36 is not an insurer and is not engaging in the business of insurance
 2-37 in this state.
 2-38 Sec. 1682.006. RISK TRANSFER OR COVERAGE. A nonprofit
 2-39 agricultural organization that offers nonprofit agricultural
 2-40 organization health benefits under this chapter may contract with a
 2-41 company authorized to engage in the business of insurance in this
 2-42 state that is not under common control with the nonprofit
 2-43 agricultural organization to:
 2-44 (1) transfer to that company all or a portion of the
 2-45 organization's risks arising from nonprofit agricultural
 2-46 organization health benefits offered under this chapter; or
 2-47 (2) obtain insurance coverage from the company
 2-48 guarantying the nonprofit agricultural organization's obligations
 2-49 arising from nonprofit agricultural organization health benefits
 2-50 offered under this chapter.
 2-51 Sec. 1682.007. APPLICABILITY OF CERTAIN LAWS TO NONPROFIT
 2-52 AGRICULTURAL ORGANIZATION HEALTH BENEFITS. Notwithstanding
 2-53 Section 1682.004, a nonprofit agricultural organization that
 2-54 offers nonprofit agricultural organization health benefits that
 2-55 are determined by the commissioner to be structured in the manner of
 2-56 a preferred provider benefit plan or an exclusive provider benefit
 2-57 plan, as those terms are defined by Section 1301.001, is subject to
 2-58 the following laws and rules as if the nonprofit agricultural
 2-59 organization were an insurer, individuals entitled to nonprofit
 2-60 agricultural organization health benefits were insureds, and the
 2-61 nonprofit agricultural organization health benefits were provided
 2-62 through an insurance policy subject to Chapter 1301:
 2-63 (1) Section 1301.005;
 2-64 (2) Section 1301.0053;
 2-65 (3) Section 1301.0055;
 2-66 (4) Section 1301.006;
 2-67 (5) Section 1301.010;
 2-68 (6) Section 1301.155;
 2-69 (7) Section 1301.164;

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(8) Section 1301.165;
(9) Chapter 1467; and
(10) 28 T.A.C. Chapter 3, Subchapter X.
SECTION 3. This Act takes effect September 1, 2021.

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