

BILL ANALYSIS

Senate Research Center

S.B. 339
By: Nelson
State Affairs
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Enrolled

DIGEST AND PURPOSE

Under current law, the Texas Medical Liability Insurance Underwriting Association (association) can issue a medical liability policy for a one year term. S.B. 339 authorizes the association to issue a policy with a term of less than one year, at the association's discretion, and authorizes the association to offer installment payment plans.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 4(a)(2), Article 21.49-3, Insurance Code, by allowing the Texas Medical Liability Insurance Underwriting Association (association) to issue a policy of medical liability insurance that is required under certain circumstances for a term of one year or less, rather than requiring that the policy be for a term of one year.

SECTION 2. Amends Section 4, Article 21.49-3, Insurance Code, by adding Subsections (e) and (f), as follows:

(e) Authorizes the association to offer an installment payment plan for coverage obtained through the association.

(f) Provides an exception to Section 7, Article 5.15-1, Insurance Code, for a medical liability insurance policy issued by the association for a term of less than one year. Requires that the association provide an insured with written notice if certain actions are taken that affect such a policy.

SECTION 3. Amends Section 4A(b), Article 21.49-3, Insurance Code, to authorize the association to permit payment of the stabilization reserve fund charge on an installment basis or to require the policyholder to pay the charge as an annual lump sum, if the association offers an installment payment plan.

SECTION 4. Amends Section 4B(b), Article 21.49-3, Insurance Code to authorize the association to permit payment of the stabilization reserve fund charge on an installment basis or to require the policyholder to pay the charge as an annual lump sum, if the association offers an installment payment plan.

SECTION 5. Effective date: September 1, 2003.