

By: Farabee

H.B. No. 688

A BILL TO BE ENTITLED

1 AN ACT

2 relating to reinstatement of individual accident and health
3 insurance policies under certain circumstances.

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

5 SECTION 1. Subchapter B, Chapter 1202, Insurance Code, as
6 effective April 1, 2005, is amended by adding Section 1202.053 to
7 read as follows:

8 Sec. 1202.053. REINSTATEMENT OF INDIVIDUAL ACCIDENT AND
9 HEALTH INSURANCE POLICY FOLLOWING GROUP COVERAGE. (a) In this
10 section, "group health benefit plan" means a plan offered on a group
11 basis, including franchise or blanket insurance, that provides
12 creditable coverage for the purposes of Section 1205.004.

13 (b) An insurer that delivers or issues for delivery an
14 individual accident and health insurance policy in this state to an
15 individual who maintains coverage under the policy for at least six
16 months must reinstate the individual's coverage under the policy
17 following a period under which the individual is covered under a
18 group health benefit plan if:

19 (1) there is no gap between the end of the initial
20 coverage under the individual accident and health insurance policy
21 and the beginning of the individual's coverage under the group
22 health benefit plan; and

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1 benefit plan, other than eligibility for continuation or conversion
2 of coverage under the Consolidated Omnibus Budget Reconciliation
3 Act of 1985 (Pub. L. No. 99-272), terminates, the individual:
4 (A) requests reinstatement; and
5 (B) provides proof of the period of coverage
6 under the group health benefit plan that complies with requirements
7 established by the commissioner by rule.

8 (c) Coverage under and premiums charged for an individual
9 accident and health insurance policy reinstated under this section
10 shall be determined as if the individual had continued to be covered
11 under the policy during the period after the termination of the
12 initial coverage under the policy and before the reinstatement of
13 the coverage.

14 SECTION 2. The change in law made by this Act applies only
15 to an individual accident and health insurance policy delivered,
16 issued for delivery, or renewed on or after January 1, 2006. A
17 policy delivered, issued for delivery, or renewed before that date
18 is governed by the law in effect immediately before that date, and
19 that law is continued in effect for that purpose.

20 SECTION 3. This Act takes effect September 1, 2005.