

By: Menendez

H.B. No. 765

A BILL TO BE ENTITLED

AN ACT

relating to required minimum annual policy limits for certain group accident and health insurance policies.

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

SECTION 1. Subchapter E, Chapter 1251, Insurance Code, as effective April 1, 2005, is amended by adding Section 1251.202 to read as follows:

Sec. 1251.202. REQUIRED MINIMUM ANNUAL POLICY LIMITS; NOTICE. (a) This section applies only to a group accident and health insurance policy, including a group contract issued by a group hospital service corporation, that provides coverage to 10 or more policyholders.

(b) A group accident and health insurance policy may not be issued for delivery in this state unless the policy annually provides at least \$500,000 of coverage for the diagnosis and treatment of catastrophic illness or injury for each individual insured under the policy. For purposes of this subsection, "catastrophic illness or injury" includes cancer and any terminal illness.

(c) An insurer who issues a group accident and health insurance policy in this state shall annually notify each policyholder in writing, in the manner prescribed by commissioner rule, of the annual deductibles, policy limits, and maximum out-of-pocket expenses under the policy.

1 SECTION 2. The change in law made by this Act applies only
2 to a group accident and health insurance policy that is delivered,
3 issued for delivery, or renewed on or after January 1, 2006. A
4 group accident and health insurance policy that is delivered,
5 issued for delivery, or renewed before January 1, 2006, is covered
6 by the law in effect at the time the policy was delivered, issued
7 for delivery, or renewed, and that law is continued in effect for
8 that purpose.

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