

1-1 By: Menendez (Senate Sponsor - Van de Putte) H.B. No. 765
1-2 (In the Senate - Received from the House April 14, 2005;
1-3 April 18, 2005, read first time and referred to Committee on State
1-4 Affairs; May 21, 2005, reported favorably, as amended, by the
1-5 following vote: Yeas 7, Nays 0; May 21, 2005, sent to printer.)

1-6 COMMITTEE AMENDMENT NO. 1 By: Harris

1-7 Amend H.B. 765 as follows:
1-8 In Section 2 of the bill, delete subsection c in its entirety.

1-9 A BILL TO BE ENTITLED
1-10 AN ACT

1-11 relating to notice of coverage under certain group health insurance
1-12 policies and standard health benefit plans.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 1251.201, Insurance Code, as effective
1-15 April 1, 2005, is amended to read as follows:

1-16 Sec. 1251.201. CERTIFICATE OF INSURANCE; NOTICE OF SEPARATE
1-17 AVAILABLE COVERAGE. (a) An insurer issuing a group policy under
1-18 this chapter shall provide to the policyholder for delivery to each
1-19 employee or member of the insured group:

1-20 (1) a certificate of insurance that:

1-21 (A) [~~(1)~~] summarizes the essential features of
1-22 the insurance coverage of the employee or member, including the
1-23 annual deductibles, annual and lifetime policy limits, and maximum
1-24 out-of-pocket expenses under the policy; and

1-25 (B) [~~(2)~~] states the person to whom benefits are
1-26 payable; and

1-27 (2) a notice that informs the employee or member of the
1-28 availability of and premiums for a rider or separate insurance
1-29 policy that would provide coverage in addition to the coverage
1-30 provided under the policy.

1-31 (b) If dependents are included in the coverage, an insurer
1-32 is not required to provide more than one certificate or notice for
1-33 each family unit.

1-34 SECTION 2. Subchapter E, Chapter 1251, Insurance Code, is
1-35 amended by adding Section 1251.202 to read as follows:

1-36 Sec. 1251.202. NOTICE REGARDING CERTAIN EMPLOYER HEALTH
1-37 BENEFIT PLANS. (a) In this section, "standard health benefit
1-38 plan" means a plan offered under Article 3.80, Article 20A.09N, or
1-39 Chapter 1507.

1-40 (b) If an employer offers to employees a standard health
1-41 benefit plan, the employer shall:

1-42 (1) provide a copy of the disclosure statement
1-43 provided to the employer by the plan issuer under Section 6, Article
1-44 3.80, Article 20A.09N(g), Section 1507.006, or Section 1507.056 to:

1-45 (A) each employee:

1-46 (i) before the employee initially enrolls
1-47 in the plan, unless the employee received notice under Paragraph
1-48 (B) on or after the 90th day before the date the employee initially
1-49 enrolls; and

1-50 (ii) not later than the 30th day before the
1-51 date the employee renews enrollment in the plan; and

1-52 (B) each prospective employee before the
1-53 prospective employee is hired by the employer; and

1-54 (2) obtain a copy of the notice signed by the employee
1-55 or prospective employee at the time the notice is provided.

1-56 (c) The employer must:

1-57 (1) retain the signed disclosure statement in the
1-58 employer's records; and

1-59 (2) on request of the commissioner, provide the signed
1-60 disclosure statement to the department.

1-61 SECTION 3. The change in law made by this Act applies only
1-62 to an insurance policy that is delivered, issued for delivery, or

2-1 renewed on or after January 1, 2006. An insurance policy that is
2-2 delivered, issued for delivery, or renewed before January 1, 2006,
2-3 is covered by the law in effect at the time the policy was
2-4 delivered, issued for delivery, or renewed, and that law is
2-5 continued in effect for that purpose.

2-6 SECTION 4. This Act takes effect September 1, 2005.

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