

1-1 By: Hochberg (Senate Sponsor - Ellis) H.B. No. 2810
1-2 (In the Senate - Received from the House May 16, 2005;
1-3 May 17, 2005, read first time and referred to Committee on State
1-4 Affairs; May 20, 2005, reported favorably by the following vote:
1-5 Yeas 7, Nays 0; May 20, 2005, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to certain inquiries relating to an applicant for
1-9 individual health benefit plan coverage.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Chapter 544, Insurance Code, is amended by
1-12 adding Subchapter G to read as follows:

1-13 SUBCHAPTER G. PREVIOUS DENIAL OF HEALTH BENEFIT PLAN COVERAGE

1-14 Sec. 544.301. DEFINITION. In this subchapter, "individual
1-15 health benefit plan" means:

1-16 (1) an individual accident and health insurance policy
1-17 to which Chapter 1201 applies; or

1-18 (2) individual health maintenance organization
1-19 coverage.

1-20 Sec. 544.302. LIMITATION ON CERTAIN INQUIRIES. A health
1-21 benefit plan issuer may ask an individual who is an applicant for an
1-22 individual health benefit plan or any other person or entity
1-23 whether the applicant has previously been denied health benefit
1-24 plan coverage only for the purpose of determining whether to ask for
1-25 other information relating to a factor used by the insurer in
1-26 underwriting the coverage. The insurer may not consider a
1-27 determination that the applicant has or has not previously been
1-28 denied health benefit plan coverage in underwriting the coverage
1-29 for which the applicant has applied.

1-30 Sec. 544.303. VIOLATION OF SUBCHAPTER; UNFAIR
1-31 DISCRIMINATION. A health benefit plan issuer who violates this
1-32 subchapter engages in unfair discrimination under Subchapter B.

1-33 SECTION 2. The change in law made by this Act applies only
1-34 to an application for health benefit plan coverage made on or after
1-35 January 1, 2006. An application made before January 1, 2006, is
1-36 governed by the law in effect immediately before the effective date
1-37 of this Act, and that law is continued in effect for that purpose.

1-38 SECTION 3. This Act takes effect September 1, 2005.

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