

By: Isett

H.B. No. 3277

A BILL TO BE ENTITLED

AN ACT

relating to health benefit plan coverage for persons engaged in risky activities.

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

SECTION 1. Subtitle E, Title 8, Insurance Code, as effective April 1, 2005, is amended by adding Chapter 1373 to read as follows:

CHAPTER 1373. HEALTH BENEFIT PLAN COVERAGE

FOR PERSONS ENGAGED IN RISKY ACTIVITIES

Sec. 1373.001. APPLICABILITY OF CHAPTER. (a) This chapter applies only to a health benefit plan that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that is offered by:

(1) an insurance company;

(2) a group hospital service corporation operating under Chapter 842;

(3) a fraternal benefit society operating under Chapter 885;

(4) a stipulated premium insurance company operating under Chapter 884;

(5) a reciprocal or interinsurance exchange operating

1 under Chapter 942;

2 (6) a Lloyd's plan operating under Chapter 941;

3 (7) a health maintenance organization operating under  
4 Chapter 843;

5 (8) a multiple employer welfare arrangement that holds  
6 a certificate of authority under Chapter 846; or

7 (9) an approved nonprofit health corporation that  
8 holds a certificate of authority under Chapter 844.

9 (b) This chapter applies to a small employer health benefit  
10 plan written under Chapter 26.

11 (c) This chapter applies to a plan that provides coverage:

12 (1) only for accidental death or dismemberment;

13 (2) only for hospital expenses; or

14 (3) only for indemnity for hospital confinement.

15 Sec. 1373.002. EXCEPTION. This chapter does not apply to:

16 (1) a plan that provides coverage:

17 (A) only for benefits for a specified disease or  
18 for another limited benefit other than an accident policy;

19 (B) for wages or payments in lieu of wages for a  
20 period during which an employee is absent from work because of  
21 sickness or injury;

22 (C) as a supplement to a liability insurance  
23 policy;

24 (D) for credit insurance; or

25 (E) only for dental or vision care;

26 (2) a Medicare supplemental policy as defined by  
27 Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss),

1 as amended;

2 (3) a workers' compensation insurance policy;

3 (4) medical payment insurance coverage provided under  
4 a motor vehicle insurance policy; or

5 (5) a long-term care insurance policy, including a  
6 nursing home fixed indemnity policy, unless the commissioner  
7 determines that the policy provides benefit coverage so  
8 comprehensive that the policy is a health benefit plan as described  
9 by Section 1373.001.

10 Sec. 1373.003. EXCLUSION OF COVERAGE PROHIBITED. (a) This  
11 chapter applies to a person engaged in any lawful activity that  
12 could be considered risky.

13 (b) A health benefit plan may not:

14 (1) exclude a person engaged in the risky activity  
15 from coverage for health benefits under the plan;

16 (2) consider the activity as a risk factor in  
17 determining the person's premium payable under the plan; or

18 (3) exclude coverage for health benefits for injuries  
19 sustained as a result of engaging in the activity.

20 Sec. 1373.004. RULES. The commissioner shall adopt rules  
21 as necessary to implement this section.

22 SECTION 2. This Act applies only to a health benefit plan  
23 delivered, issued for delivery, or renewed on or after January 1,  
24 2006. A health benefit plan delivered, issued for delivery, or  
25 renewed before January 1, 2006, is governed by the law as it existed  
26 immediately before the effective date of this Act, and that law is  
27 continued in effect for that purpose.

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