

AN ACT

relating to certain noninsurance benefits and related services for accident, health, life, and long-term care insurance.

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

SECTION 1. Subchapter B, Chapter 1701, Insurance Code, is amended by adding Section 1701.061 to read as follows:

Sec. 1701.061. NONINSURANCE BENEFITS. (a) In this section, "noninsurance benefit" means a good or service provided or disclosed as part of a policy or certificate of insurance that is reasonably related to the type of policy or certificate being issued. Examples of noninsurance benefits include:

(1) discount cards for health care programs, vision care programs, dental care programs, prescriptions, physical fitness programs or facilities, or other similar programs;

(2) financial planning, will preparation, or similar services; and

(3) contributions for educational savings on behalf of a policyholder or certificate holder.

(b) An insurer may include a noninsurance benefit that is reasonably related to a policy or certificate as part of the policy or certificate form to be issued to an insured or certificate holder.

(c) A policy form filing that includes a noninsurance benefit shall include:

1 (1) a description of the noninsurance benefit;

2 (2) a notice that fully discloses the noninsurance
3 benefit to the policyholder or certificate holder; and

4 (3) an explanation of any condition on which
5 termination of the noninsurance benefit will occur.

6 (d) Section 541.061 applies to a noninsurance benefit
7 provided as part of a policy or certificate.

8 (e) Section 1102.002 does not apply to a noninsurance
9 benefit provided as part of a policy or certificate.

10 (f) The commissioner may adopt rules to implement this
11 section, including rules to:

12 (1) determine which noninsurance benefits are
13 reasonably related to the types of insurance subject to this
14 chapter;

15 (2) ensure that noninsurance benefits included as part
16 of a policy or certificate are not unfairly deceptive or do not
17 otherwise constitute a prohibited inducement; and

18 (3) address application of other chapters of this code
19 to noninsurance benefits provided as part of a policy or
20 certificate, including Chapters 82-84, 222, 257, 463, 541-544,
21 1501, and 1506.

22 SECTION 2. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this
25 Act does not receive the vote necessary for immediate effect, this
26 Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 1847 was passed by the House on May 4, 2007, by the following vote: Yeas 144, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 1847 was passed by the Senate on May 23, 2007, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor