

1-1 By: Hancock (Senate Sponsor - Averitt) H.B. No. 1847
1-2 (In the Senate - Received from the House May 7, 2007;
1-3 May 8, 2007, read first time and referred to Committee on State
1-4 Affairs; May 17, 2007, reported favorably by the following vote:
1-5 Yeas 8, Nays 0; May 17, 2007, sent to printer.)

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

1-8 relating to certain noninsurance benefits and related services for
1-9 accident, health, life, and long-term care insurance.

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

1-11 SECTION 1. Subchapter B, Chapter 1701, Insurance Code, is
1-12 amended by adding Section 1701.061 to read as follows:

1-13 Sec. 1701.061. NONINSURANCE BENEFITS. (a) In this
1-14 section, "noninsurance benefit" means a good or service provided or
1-15 disclosed as part of a policy or certificate of insurance that is
1-16 reasonably related to the type of policy or certificate being
1-17 issued. Examples of noninsurance benefits include:

1-18 (1) discount cards for health care programs, vision
1-19 care programs, dental care programs, prescriptions, physical
1-20 fitness programs or facilities, or other similar programs;

1-21 (2) financial planning, will preparation, or similar
1-22 services; and

1-23 (3) contributions for educational savings on behalf of
1-24 a policyholder or certificate holder.

1-25 (b) An insurer may include a noninsurance benefit that is
1-26 reasonably related to a policy or certificate as part of the policy
1-27 or certificate form to be issued to an insured or certificate
1-28 holder.

1-29 (c) A policy form filing that includes a noninsurance
1-30 benefit shall include:

1-31 (1) a description of the noninsurance benefit;

1-32 (2) a notice that fully discloses the noninsurance
1-33 benefit to the policyholder or certificate holder; and

1-34 (3) an explanation of any condition on which
1-35 termination of the noninsurance benefit will occur.

1-36 (d) Section 541.061 applies to a noninsurance benefit
1-37 provided as part of a policy or certificate.

1-38 (e) Section 1102.002 does not apply to a noninsurance
1-39 benefit provided as part of a policy or certificate.

1-40 (f) The commissioner may adopt rules to implement this
1-41 section, including rules to:

1-42 (1) determine which noninsurance benefits are
1-43 reasonably related to the types of insurance subject to this
1-44 chapter;

1-45 (2) ensure that noninsurance benefits included as part
1-46 of a policy or certificate are not unfairly deceptive or do not
1-47 otherwise constitute a prohibited inducement; and

1-48 (3) address application of other chapters of this code
1-49 to noninsurance benefits provided as part of a policy or
1-50 certificate, including Chapters 82-84, 222, 257, 463, 541-544,
1-51 1501, and 1506.

1-52 SECTION 2. This Act takes effect immediately if it receives
1-53 a vote of two-thirds of all the members elected to each house, as
1-54 provided by Section 39, Article III, Texas Constitution. If this
1-55 Act does not receive the vote necessary for immediate effect, this
1-56 Act takes effect September 1, 2007.

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