

AN ACT

relating to advertising by certain insurers.

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

SECTION 1. Chapter 541, Insurance Code, is amended by adding Subchapter B-1 to read as follows:

SUBCHAPTER B-1. ADVERTISING REQUIREMENTS

Sec. 541.082. ADVERTISING AND INTERNET WEBSITES. (a) In this section, "insurer" includes:

- (1) a life insurance company;
- (2) a health insurance company;
- (3) an accident insurance company;
- (4) a general casualty company;
- (5) a mutual life insurance company or other mutual insurance company;
- (6) a mutual or natural premium life insurance company;
- (7) a Lloyd's plan;
- (8) a county mutual insurance company;
- (9) a farm mutual insurance company;
- (10) a reciprocal or interinsurance exchange;
- (11) a fraternal benefit society;
- (12) a local mutual aid association;
- (13) a health maintenance organization;
- (14) a group hospital service corporation; or

1           (15) a multiple employer welfare arrangement that  
2 holds a certificate of coverage under Chapter 846.

3           (b) A web page of an insurer's Internet website must include  
4 all appropriate disclosures and information required by applicable  
5 rules adopted by the commissioner relating to advertising only if  
6 the web page:

7           (1) describes specific policies or coverage available  
8 in this state; or

9           (2) includes an opportunity for an individual to apply  
10 for coverage or obtain a quote from an insurer for an insurance  
11 policy or certificate or an evidence of coverage.

12           (c) As may be permitted by commissioner rule, an insurer may  
13 comply with Subsection (b) by including a link to a web page that  
14 includes the information necessary to comply with the applicable  
15 rules relating to advertising. The link must be prominently placed  
16 on the insurer's web page.

17           (d) Web pages of an Internet website that do not refer to a  
18 specific insurance policy, certificate of coverage, or evidence of  
19 coverage or that do not provide an opportunity for an individual to  
20 apply for coverage or request a quote from an insurer are considered  
21 to be institutional advertisements subject to rules adopted by the  
22 commissioner relating to advertising.

23           (e) Web pages or navigation aids within an insurer's  
24 Internet website that provide a link to a web page described by  
25 Subsection (b) but that do not otherwise contain content described  
26 in Subsection (b) are considered to be institutional advertisements  
27 subject to rules adopted by the commissioner relating to

1 advertising.

2 Sec. 541.083. ADVERTISEMENTS TO CERTAIN ASSOCIATIONS. An  
3 insurer may advertise to the general public policies or coverage  
4 available only to members of an association described by Section  
5 1251.052.

6 Sec. 541.084. ADVERTISEMENTS RELATING TO MEDICARE PROGRAM.  
7 A person may not use an advertisement for an insurance product  
8 relating to Medicare coverage unless the advertisement includes in  
9 a prominent place the following language or similar language: "Not  
10 connected with or endorsed by the United States government or the  
11 federal Medicare program."

12 Sec. 541.085. ADVERTISEMENTS RELATING TO PREFERRED  
13 PROVIDER BENEFIT PLANS. It is sufficient for an insurer to use the  
14 term "PPO plan" in advertisements when referring to a preferred  
15 provider benefit plan offered under Chapter 1301.

16 Sec. 541.086. ADVERTISING REGARDING GUARANTEED RENEWABLE  
17 COVERAGE. (a) An advertisement for a guaranteed renewable accident  
18 and health insurance policy must include, in a prominent place, a  
19 statement indicating that rates for the policy may change if the  
20 advertisement suggests or implies that rates for the product will  
21 not change.

22 (b) If an advertisement is required to include the statement  
23 described by Subsection (a), the statement must generally identify  
24 the manner in which rates may change, such as by age, by health  
25 status, by class, or through application of other general criteria.

26 Sec. 541.087. ADVERTISEMENTS EXEMPT FROM FILING  
27 REQUIREMENTS. An advertisement subject to requirements regarding

1 filing of the advertisement with the department for department  
2 review under this code or commissioner rule and that is the same as  
3 or substantially similar to an advertisement previously reviewed  
4 and accepted by the department is not required to be filed for  
5 department review.

6 SECTION 2. Section 541.052(b), Insurance Code, is amended  
7 to read as follows:

8 (b) This section applies to an advertisement, announcement,  
9 or statement made, published, disseminated, circulated, or placed  
10 before the public:

- 11 (1) in a newspaper, magazine, or other publication;
- 12 (2) in a notice, circular, pamphlet, letter, or  
13 poster;
- 14 (3) over a radio or television station; [~~or~~]
- 15 (4) through the Internet; or
- 16 (5) in any other manner.

17 SECTION 3. Section 1652.156(c), Insurance Code, is amended  
18 to read as follows:

19 (c) An entity may not use an advertisement for Medicare  
20 supplement benefit plans that does not comply with state law,  
21 including department rules and Section 541.084.

22 SECTION 4. This Act takes effect September 1, 2007.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2251 was passed by the House on April 27, 2007, by the following vote: Yeas 133, Nays 0, 2 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2251 on May 17, 2007, by the following vote: Yeas 145, Nays 0, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2251 was passed by the Senate, with amendments, on May 15, 2007, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor