

By: Taylor

H.B. No. 2251

Substitute the following for H.B. No. 2251:

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C.S.H.B. No. 2251

A BILL TO BE ENTITLED

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" means:

(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; or

(14) a group hospital service corporation.

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

5 (1) describes specific policies or coverage available
6 in this state; or

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

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

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

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

27 Sec. 541.083. ADVERTISEMENTS TO CERTAIN ASSOCIATIONS. An

1 insurer may advertise to the general public policies or coverage
2 available only to members of an association described by Section
3 1251.052.

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

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

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

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

24 Sec. 541.087. ADVERTISEMENTS EXEMPT FROM FILING
25 REQUIREMENTS. An advertisement subject to requirements regarding
26 filing of the advertisement with the department for department
27 review under this code or commissioner rule and that is the same as

1 or substantially similar to an advertisement previously reviewed
2 and accepted by the department is not required to be filed for
3 department review.

4 SECTION 2. Section 541.052, Insurance Code, is transferred
5 to Subchapter B-1, Chapter 541, Insurance Code, as added by this
6 Act, renumbered as Section 541.081, and amended to read as follows:

7 Sec. 541.081 [~~541.052~~]. FALSE INFORMATION AND ADVERTISING.

8 (a) It is an unfair method of competition or an unfair or deceptive
9 act or practice in the business of insurance to make, publish,
10 disseminate, circulate, or place before the public or directly or
11 indirectly cause to be made, published, disseminated, circulated,
12 or placed before the public an advertisement, announcement, or
13 statement containing an untrue, deceptive, or misleading
14 assertion, representation, or statement regarding the business of
15 insurance or a person in the conduct of the person's insurance
16 business.

17 (b) This section applies to an advertisement, announcement,
18 or statement made, published, disseminated, circulated, or placed
19 before the public:

20 (1) in a newspaper, magazine, or other publication;

21 (2) in a notice, circular, pamphlet, letter, or
22 poster;

23 (3) over a radio or television station; [~~or~~]

24 (4) through the Internet; or

25 (5) in any other manner.

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

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

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