

1-1 By: Taylor (Senate Sponsor - Duncan) H.B. No. 2251
1-2 (In the Senate - Received from the House April 30, 2007;
1-3 May 2, 2007, read first time and referred to Committee on Business
1-4 and Commerce; May 10, 2007, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 8, Nays 0;
1-6 May 10, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 2251 By: Harris

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to advertising by certain insurers.

1-11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-12 SECTION 1. Chapter 541, Insurance Code, is amended by
1-13 adding Subchapter B-1 to read as follows:

1-14 SUBCHAPTER B-1. ADVERTISING REQUIREMENTS

1-15 Sec. 541.082. ADVERTISING AND INTERNET WEBSITES. (a) In
1-16 this section, "insurer" includes:

- 1-17 (1) a life insurance company;
- 1-18 (2) a health insurance company;
- 1-19 (3) an accident insurance company;
- 1-20 (4) a general casualty company;
- 1-21 (5) a mutual life insurance company or other mutual
1-22 insurance company;
- 1-23 (6) a mutual or natural premium life insurance
1-24 company;
- 1-25 (7) a Lloyd's plan;
- 1-26 (8) a county mutual insurance company;
- 1-27 (9) a farm mutual insurance company;
- 1-28 (10) a reciprocal or interinsurance exchange;
- 1-29 (11) a fraternal benefit society;
- 1-30 (12) a local mutual aid association;
- 1-31 (13) a health maintenance organization; or
- 1-32 (14) a group hospital service corporation.

1-33 (b) A web page of an insurer's Internet website must include
1-34 all appropriate disclosures and information required by applicable
1-35 rules adopted by the commissioner relating to advertising only if
1-36 the web page:

- 1-37 (1) describes specific policies or coverage available
1-38 in this state; or
- 1-39 (2) includes an opportunity for an individual to apply
1-40 for coverage or obtain a quote from an insurer for an insurance
1-41 policy or certificate or an evidence of coverage.

1-42 (c) As may be permitted by commissioner rule, an insurer may
1-43 comply with Subsection (b) by including a link to a web page that
1-44 includes the information necessary to comply with the applicable
1-45 rules relating to advertising. The link must be prominently placed
1-46 on the insurer's web page.

1-47 (d) Web pages of an Internet website that do not refer to a
1-48 specific insurance policy, certificate of coverage, or evidence of
1-49 coverage or that do not provide an opportunity for an individual to
1-50 apply for coverage or request a quote from an insurer are considered
1-51 to be institutional advertisements subject to rules adopted by the
1-52 commissioner relating to advertising.

1-53 (e) Web pages or navigation aids within an insurer's
1-54 Internet website that provide a link to a web page described by
1-55 Subsection (b) but that do not otherwise contain content described
1-56 in Subsection (b) are considered to be institutional advertisements
1-57 subject to rules adopted by the commissioner relating to
1-58 advertising.

1-59 Sec. 541.083. ADVERTISEMENTS TO CERTAIN ASSOCIATIONS. An
1-60 insurer may advertise to the general public policies or coverage
1-61 available only to members of an association described by Section
1-62 1251.052.

1-63 Sec. 541.084. ADVERTISEMENTS RELATING TO MEDICARE PROGRAM.

2-1 A person may not use an advertisement for an insurance product
2-2 relating to Medicare coverage unless the advertisement includes in
2-3 a prominent place the following language or similar language: "Not
2-4 connected with or endorsed by the United States government or the
2-5 federal Medicare program."

2-6 Sec. 541.085. ADVERTISEMENTS RELATING TO PREFERRED
2-7 PROVIDER BENEFIT PLANS. It is sufficient for an insurer to use the
2-8 term "PPO plan" in advertisements when referring to a preferred
2-9 provider benefit plan offered under Chapter 1301.

2-10 Sec. 541.086. ADVERTISING REGARDING GUARANTEED RENEWABLE
2-11 COVERAGE. (a) An advertisement for a guaranteed renewable accident
2-12 and health insurance policy must include, in a prominent place, a
2-13 statement indicating that rates for the policy may change if the
2-14 advertisement suggests or implies that rates for the product will
2-15 not change.

2-16 (b) If an advertisement is required to include the statement
2-17 described by Subsection (a), the statement must generally identify
2-18 the manner in which rates may change, such as by age, by health
2-19 status, by class, or through application of other general criteria.

2-20 Sec. 541.087. ADVERTISEMENTS EXEMPT FROM FILING
2-21 REQUIREMENTS. An advertisement subject to requirements regarding
2-22 filing of the advertisement with the department for department
2-23 review under this code or commissioner rule and that is the same as
2-24 or substantially similar to an advertisement previously reviewed
2-25 and accepted by the department is not required to be filed for
2-26 department review.

2-27 SECTION 2. Section 541.052(b), Insurance Code, is amended
2-28 to read as follows:

2-29 (b) This section applies to an advertisement, announcement,
2-30 or statement made, published, disseminated, circulated, or placed
2-31 before the public:

- 2-32 (1) in a newspaper, magazine, or other publication;
- 2-33 (2) in a notice, circular, pamphlet, letter, or
2-34 poster;
- 2-35 (3) over a radio or television station; [~~or~~]
- 2-36 (4) through the Internet; or
- 2-37 (5) in any other manner.

2-38 SECTION 3. Section 1652.156(c), Insurance Code, is amended
2-39 to read as follows:

2-40 (c) An entity may not use an advertisement for Medicare
2-41 supplement benefit plans that does not comply with state law,
2-42 including department rules and Section 541.084.

2-43 SECTION 4. This Act takes effect September 1, 2007.

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