

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 reciprocal or interinsurance exchange;

(9) a fraternal benefit society;

(10) a local mutual aid association;

(11) a health maintenance organization;

(12) a group hospital service corporation; or

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

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 a specific policy or specific evidence  
6 of coverage available 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) An insurer may comply with Subsection (b) by including a  
11 link to a web page that includes the information necessary to comply  
12 with the applicable rules relating to advertising. The link must be  
13 prominently placed on the insurer's web page.

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

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

25       Sec. 541.083. ADVERTISEMENTS TO CERTAIN ASSOCIATIONS. An  
26 insurer may advertise to the general public policies or coverage  
27 available only to members of an association described by Section

1 1251.052.

2 Sec. 541.084. ADVERTISEMENTS RELATING TO MEDICARE PROGRAM.

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

8 Sec. 541.085. ADVERTISEMENTS RELATING TO PREFERRED  
9 PROVIDER BENEFIT PLANS. An insurer may use the term "PPO" in  
10 advertisements when referring to a preferred provider benefit plan  
11 offered under Chapter 1301.

12 Sec. 541.086. ADVERTISING REGARDING GUARANTEED  
13 RENEWABILITY OF COVERAGE. (a) An advertisement for a guaranteed  
14 renewable accident and health insurance policy must include, in a  
15 prominent place, a statement indicating that rates for the policy  
16 may change if the advertisement suggests or implies that:

17 (1) the product is guaranteed renewable; and

18 (2) rates for the product will not change.

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

23 Sec. 541.087. ADVERTISEMENTS EXEMPT FROM APPROVAL  
24 REQUIREMENTS. An advertisement subject to approval by the  
25 commissioner under this code or commissioner rule and that is the  
26 same as or substantially similar to an advertisement previously  
27 approved by the commissioner is not required to be filed for

1 approval.

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

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

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

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

- 18 (1) in a newspaper, magazine, or other publication;  
19 (2) in a notice, circular, pamphlet, letter, or  
20 poster;  
21 (3) over a radio or television station; [~~or~~]  
22 (4) through the Internet; or  
23 (5) in any other manner.

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

26 (c) An entity may not use an advertisement for Medicare  
27 supplement benefit plans that does not comply with state law,

1 including department rules and Section 541.084.

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