

House Bill 2251
Senate Amendments
Section-by-Section Analysis

HOUSE VERSION

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.

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

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

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

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

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

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

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

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

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

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

Sec. 541.084. ADVERTISEMENTS RELATING TO

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

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

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

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

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

Sec. 541.084. ADVERTISEMENTS RELATING TO

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

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

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

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

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

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

Same as House version.

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

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

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

Same as House version.

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

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

Same as House version.