

By: McClendon

H.B. No. 1826

A BILL TO BE ENTITLED

AN ACT

relating to the use of unapproved or disapproved insurance or health maintenance organization forms.

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

SECTION 1. Subchapter B, Chapter 541, Insurance Code, is amended by adding Section 541.062 to read as follows:

Sec. 541.062. USE OF UNAPPROVED OR DISAPPROVED FORM. (a)  
It is an unfair method of competition or an unfair or deceptive act or practice in the business of insurance to deny or limit coverage or benefits on the basis of language contained in a document for which form approval is required under Subchapter C, Chapter 1271, Chapter 1701, or Chapter 2301 if, as applicable:

(1) the form has not been approved under Chapter 1271, 1701, or 2301;

(2) the form has been disapproved under Chapter 1271, 1701, or 2301;

(3) approval of the form has been withdrawn under Chapter 1271, 1701, or 2301;

(4) the form was not filed with a certification as described by Section 1701.052;

(5) the commissioner has withdrawn an exemption of the form from the approval requirements of Chapter 1701 and the form has not subsequently been approved as required by Chapter 1701; or

(6) the form was not adopted by the commissioner under

1 Section 2301.008.

2 (b) This section does not apply to a document that has been  
3 replaced or amended and corrected under Section 1701.059.

4 SECTION 2. The change in law made by this Act applies only  
5 to a form used to write a document, including a policy, evidence of  
6 coverage, or contract, on or after the effective date of this Act.  
7 A form used before the effective date of this Act is governed by the  
8 law in effect immediately before that date, and that law is  
9 continued in effect for that purpose.

10 SECTION 3. This Act takes effect immediately if it receives  
11 a vote of two-thirds of all the members elected to each house, as  
12 provided by Section 39, Article III, Texas Constitution. If this  
13 Act does not receive the vote necessary for immediate effect, this  
14 Act takes effect September 1, 2011.