

BILL ANALYSIS

H.B. 1265
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Pensions
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Interested parties assert that state employees lack knowledge about the insurance coverages available to them and should be provided information about life coverage, accidental death and dismemberment coverage, and long-term and short-term loss of salary coverage, if those coverages are included in a group coverage plan. The parties contend that state employees also should be provided information about the probabilities of death and disability, as well as policy exclusions and limitations. H.B. 1265 seeks to address this need by establishing requirements for educating state employees about their options under a group coverage plan.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the board of trustees of the Employees Retirement System of Texas in SECTIONS 1 and 2 of this bill and to the Texas Department of Insurance in SECTION 1 of this bill.

ANALYSIS

H.B. 1265 amends the Insurance Code to require the board of trustees of the Employees Retirement System of Texas (ERS) by rule to ensure that employees receive information about coverage for life, accidental death and dismemberment, and long-term and short-term loss of salary, if those coverages are included in a group coverage plan established under the Texas Employees Group Benefits Act. The bill requires this information to contain descriptions of probabilities of death and disability and policy exclusions and limitations, including limitations based on multiple sources of benefits, preexisting condition exclusions, and required waiting periods for benefits, and requires the board to publish the information on the ERS website.

H.B. 1265 authorizes the board by rule to provide the information in printed materials for new employees distributed on the first day of employment and to consider using printed materials, online presentations, and educational presentations to ensure the information is provided to employees. The bill requires the board, if applicable, to review these materials and presentations annually in order to determine if changes to their contents are necessary and requires the Texas Department of Insurance, if applicable, to adopt rules necessary for considering and making changes to the materials or presentations. The bill requires the board to adopt rules to implement the bill's provisions not later than January 1, 2014.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2013.