

BILL ANALYSIS

H.B. 1585
By: Walle
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

A recent legislative enactment sought to ensure that individual health and accident insurance plan enrollees are provided with 60-day advanced notice of rate increases and important consumer information. Interested parties contend that the author's intention was to target enrollees in individual major medical health insurance policies; however, due to the statutory language, supplemental-type policies, such as those that are cancer-only policies or disability policies, have also been required to provide this information. H.B. 1585 seeks to restore the author's original legislative intent by amending the statutory language to limit the application of such notice to individual major medical health insurance policies.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1585 amends the Insurance Code to specify that the written notice and informational table an insurer is required to give to an insured not less than 60 days before the date on which a premium rate increase takes effect on the insured's individual accident and health insurance policy applies to a policy that provides major medical expense coverage. The bill defines "major medical expense coverage" for the purposes of that requirement as an individual major medical expense insurance policy to which provisions governing accident and health insurance delivered or issued for delivery in Texas that constitute creditable coverage apply.

EFFECTIVE DATE

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