

BILL ANALYSIS

C.S.H.B. 3105
By: Morrison
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

A provision commonly referred to as the alcohol exclusion provision of the National Association of Insurance Commissioners (NAIC) model Uniform Accident and Sickness Policy Provision Law permits an insurer to refuse to accept a claim for a loss sustained as a consequence of an insured's being intoxicated or under the influence of certain drugs. However, interested parties report that scientific advances in understanding substance abuse and the development of effective alcohol treatment have compelled the NAIC to reverse its position and instead recommend that states repeal their alcohol exclusion law. Such parties contend that other states have repealed that provision because it may deter hospitals from performing routine screening for drug and alcohol use disorder. C.S.H.B. 3105 seeks to align Texas law with model national insurance law standards in an effort to encourage the screening, brief intervention, and referral to treatment of persons showing indications of drug or alcohol problems in hospital emergency rooms.

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

C.S.H.B. 3105 repeals Section 1201.227, Insurance Code, requiring an individual accident and health insurance policy to contain a provision stating that the insurer is not liable for any loss sustained or contracted in consequence of the insured's being intoxicated or under the influence of any narcotic unless the narcotic is administered on the advice of a physician, if the policy addresses the subject matter of that provision. The bill applies only to an individual accident and health insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2014.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3105 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED	HOUSE COMMITTEE SUBSTITUTE
SECTION 1. Section 1201.227, Insurance Code, is repealed.	SECTION 1. Same as introduced version.

SECTION 2. The change in law made by this Act applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2014. A health benefit plan that is delivered, issued for delivery, or renewed before January 1, 2014, is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2013.

SECTION 2. The change in law made by this Act applies only to an individual accident and health insurance policy that is delivered, issued for delivery, or renewed on or after January 1, 2014. An individual accident and health insurance policy that is delivered, issued for delivery, or renewed before January 1, 2014, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. Same as introduced version.