

By: Walle

H.B. No. 1585

A BILL TO BE ENTITLED

1 AN ACT
2 relating to notice of a premium increase for certain health
3 insurance policies.

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

5 SECTION 1. The heading to Section 1201.109, Insurance Code,
6 is amended to read as follows:

7 Sec. 1201.109. NOTICE OF RATE INCREASE FOR MAJOR MEDICAL
8 EXPENSE INSURANCE POLICY.

9 SECTION 2. Section 1201.109, Insurance Code, is amended by
10 amending Subsection (a) and adding Subsection (f) to read as
11 follows:

12 (a) Not less than 60 days before the date on which a premium
13 rate increase takes effect on an individual accident and health
14 insurance policy that provides major medical expense coverage and
15 that is delivered or issued for delivery in this state by an
16 insurer, the insurer shall:

17 (1) give written notice to the insured of the
18 effective date of the increase; and

19 (2) provide the insured a table that clearly lists:

20 (A) the actual dollar amount of the premium on
21 the date of the notice;

22 (B) the actual dollar amount of the premium after
23 the premium rate increase; and

24 (C) the percentage change between the amounts

1 described by Paragraphs (A) and (B).

2 (f) For purposes of this section, "major medical expense
3 coverage" means an individual major medical expense insurance
4 policy to which this chapter applies under Section 1201.003 that
5 constitutes creditable coverage under Section 1205.004.

6 SECTION 3. This Act takes effect immediately if it receives
7 a vote of two-thirds of all the members elected to each house, as
8 provided by Section 39, Article III, Texas Constitution. If this
9 Act does not receive the vote necessary for immediate effect, this
10 Act takes effect September 1, 2013.