

AN ACT

relating to notice of a premium increase for certain health insurance policies.

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

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

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

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

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

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

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

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

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

(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.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 853 passed the Senate on April 25, 2013, by the following vote: Yeas 28, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 853 passed the House on May 14, 2013, by the following vote: Yeas 143, Nays 0, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor