BILL ANALYSIS

BACKGROUND AND PURPOSE

Hospital indemnity policies have been in the insurance marketplace for decades and pay benefits directly to the policyholder to assist with out-of-pocket costs associated with an accident or sickness. Interested parties note that while policies always provide benefits related to hospital confinement, the coverage typically provides additional benefits that do not require a confinement. These benefits, contend the parties, are critically important given the breadth of procedures now performed on an outpatient basis. The parties are concerned regarding the use of different terminology in statute to identify such insurance, contending that certain statutory provisions use outdated terminology in conflict with federal terminology that the legislature has subsequently begun using. S.B. 979 seeks to remedy this issue.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

S.B. 979 amends the Insurance Code to include fixed indemnity coverage among the categories of coverage for which the commissioner of insurance is required to adopt rules establishing minimum standards for benefits for individual accident and health insurance policies. The bill requires the commissioner to adopt any rules necessary to implement the minimum standards for benefits for accident and health insurance as amended by the bill not later than January 1, 2016.

EFFECTIVE DATE

On passage, or, if the bill does not receive the necessary vote, September 1, 2015.