

By: Guerra

H.B. No. 3024

A BILL TO BE ENTITLED

AN ACT

relating to coordination of dental benefits under certain insurance policies.

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

SECTION 1. Chapter 1203, Insurance Code, is amended by adding Subchapter B to read as follows:

SUBCHAPTER B. DENTAL INSURANCE

Sec. 1203.051. APPLICABILITY OF SUBCHAPTER; EXCEPTION. (a)

This subchapter applies only to an insurance policy that provides benefits for dental expenses, including, except as provided by Subsection (b), an individual, group, blanket, or franchise insurance policy or insurance agreement, or a group hospital service contract, that is offered by:

(1) an insurance company;

(2) a group hospital service corporation operating under Chapter 842;

(3) a fraternal benefit society operating under Chapter 885;

(4) a stipulated premium company operating under Chapter 884;

(5) a reciprocal exchange operating under Chapter 942;
or

(6) a Lloyd's plan operating under Chapter 941.

(b) This subchapter does not apply to a separate dental

1 policy that exclusively provides a non-coordinated, fixed
2 indemnity benefit, regardless of expenses incurred paid directly to
3 the policyholder or to the provider under an assignment of benefits
4 provision.

5 Sec. 1203.052. COORDINATION OF BENEFITS BETWEEN PRIMARY AND
6 SECONDARY INSURERS. (a) This section applies if:

7 (1) an insured is covered by at least two different
8 insurance policies; and

9 (2) each policy provides the insured dental benefits.

10 (b) The primary insurer, as determined under a coordination
11 of benefits provision applicable to the policies, is responsible
12 for dental expenses covered under the insurance policy issued by
13 the primary insurer up to the full amount of any policy limit
14 applicable to the covered dental expenses.

15 (c) Before the policy limit described by Subsection (b) is
16 reached, the secondary insurer, as determined under a coordination
17 of benefits provision applicable to the policies, is responsible
18 only for dental expenses covered under the insurance policy issued
19 by the secondary insurer that are not covered under the policy
20 issued by the primary insurer.

21 (d) After the policy limit described by Subsection (b) has
22 been reached, the secondary insurer, in addition to the
23 responsibility described by Subsection (c), is responsible for any
24 dental expenses covered by both policies that exceed the policy
25 limit described by Subsection (b), not to exceed the policy limit of
26 the secondary policy.

27 Sec. 1203.053. CERTAIN COORDINATION OF BENEFITS PROVISIONS

1 PROHIBITED. An insurance policy subject to this subchapter may not
2 be delivered, issued for delivery, or renewed in this state if:

3 (1) a provision of the policy excludes or reduces the
4 payment of benefits for dental expenses to or on behalf of an
5 insured;

6 (2) the reason for the exclusion or reduction is that
7 dental benefits are payable or have been paid to or on behalf of the
8 insured under another insurance policy; and

9 (3) the exclusion or reduction would apply before the
10 full amount of the dental expenses incurred by the insured and
11 covered by both policies have been paid or reimbursed or the full
12 amount of the applicable policy limit of the policy containing the
13 exclusion or reduction is reached.

14 Sec. 1203.054. CERTAIN COORDINATION OF BENEFITS PROVISIONS
15 VOID. A provision of an insurance policy that violates Section
16 1203.053 is void.

17 SECTION 2. Chapter 1203, Insurance Code, is amended by
18 designating Sections 1203.001 through 1203.003 as Subchapter A and
19 adding a subchapter heading to read as follows:

20 SUBCHAPTER A. SUPPLEMENTAL INSURANCE POLICIES

21 SECTION 3. Section 1203.001, Insurance Code, is amended to
22 read as follows:

23 Sec. 1203.001. APPLICABILITY OF SUBCHAPTER [~~CHAPTER~~]. (a)
24 This subchapter [~~chapter~~] applies only to:

25 (1) a policy of group accident and health insurance as
26 described by Chapter 1251;

27 (2) a policy of blanket accident and health insurance

1 as described by Chapter 1251;

2 (3) a policy of individual accident and health
3 insurance as defined by Section 1201.001; or

4 (4) an evidence of coverage as defined by Section
5 843.002.

6 (b) This subchapter [~~chapter~~] does not apply to an
7 individual accident and health insurance policy that is designed to
8 fully integrate with other policies through a variable deductible.

9 SECTION 4. The change in law made by this Act applies only
10 to an insurance policy that is delivered, issued for delivery, or
11 renewed on or after January 1, 2016. A policy delivered, issued for
12 delivery, or renewed before January 1, 2016, is governed by the law
13 as it existed immediately before the effective date of this Act, and
14 that law is continued in effect for that purpose.

15 SECTION 5. This Act takes effect September 1, 2015.