

By: Hinojosa

S.B. No. 1349

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. This subchapter applies only to an insurance policy that provides benefits for dental expenses, including 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.

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

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

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

4 (b) The primary insurer, as determined under a coordination
5 of benefits provision applicable to the policies, is responsible
6 for dental expenses covered under the insurance policy issued by
7 the primary insurer up to the full amount of the applicable policy
8 limit.

9 (c) Before the policy limit described by Subsection (b) is
10 reached, the secondary insurer, as determined under a coordination
11 of benefits provision applicable to the policies, is responsible
12 only for dental expenses covered under the insurance policy issued
13 by the secondary insurer that are not covered under the policy
14 issued by the primary insurer.

15 (d) After the policy limit described by Subsection (b) has
16 been reached, the secondary insurer, in addition to the
17 responsibility described by Subsection (c), is responsible for any
18 dental expenses covered by both policies that exceed the policy
19 limit described by Subsection (b), up to the full amount of the
20 applicable policy limit of the insurance policy issued by the
21 secondary insurer.

22 Sec. 1203.053. CERTAIN COORDINATION OF BENEFITS PROVISIONS
23 PROHIBITED. An insurance policy subject to this subchapter may not
24 be delivered, issued for delivery, or renewed in this state if:

25 (1) a provision of the policy excludes or reduces the
26 payment of benefits for dental expenses to or on behalf of an
27 insured;

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

4 (3) the exclusion or reduction would apply before the
5 full amount of the dental expenses incurred by the insured and
6 covered by both policies have been paid or reimbursed or the full
7 amount of the applicable policy limit of the policy containing the
8 exclusion or reduction is reached.

9 Sec. 1203.054. CERTAIN COORDINATION OF BENEFITS PROVISIONS
10 VOID. A provision of an insurance policy that violates Section
11 1203.053 is void.

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

15 SUBCHAPTER A. SUPPLEMENTAL INSURANCE POLICIES

16 SECTION 3. Section 1203.001, Insurance Code, is amended to
17 read as follows:

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

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

22 (2) a policy of blanket accident and health insurance
23 as described by Chapter 1251;

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

26 (4) an evidence of coverage as defined by Section
27 843.002.

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

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

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