87R18151 RDS-D

By:  Smithee, Oliverson H.B. No. 3433

A BILL TO BE ENTITLED

AN ACT

relating to prohibited discrimination on the basis of an individual's political affiliation or expression by certain insurers.

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

SECTION 1.  Chapter 544, Insurance Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. POLITICAL AFFILIATION AND EXPRESSION

Sec. 544.601.  APPLICABILITY OF SUBCHAPTER. This subchapter applies to:

(1)  any legal entity engaged in the business of insurance in this state, including:

(A)  a capital stock insurance company;

(B)  a mutual insurance company;

(C)  a title insurance company;

(D)  a fraternal benefit society;

(E)  a local mutual aid association;

(F)  a statewide mutual assessment company;

(G)  a county mutual insurance company;

(H)  a Lloyd's plan;

(I)  a reciprocal or interinsurance exchange;

(J)  a stipulated premium company;

(K)  a group hospital service corporation;

(L)  a farm mutual insurance company;

(M)  a risk retention group;

(N)  an eligible surplus lines insurer; and

(O)  an agent, broker, adjuster, or life and health insurance counselor; and

(2)  a health maintenance organization.

Sec. 544.602.  PROHIBITION. Except as provided by Section 544.603, a person may not refuse to insure or provide coverage to an individual, refuse to continue to insure or provide coverage to an individual, limit the amount, extent, or kind of coverage available for an individual, or charge an individual a rate that is different from the rate charged to other individuals for the same coverage because of the individual's political affiliation or expression.

Sec. 544.603.  EXCEPTIONS. A person does not violate Section 544.602 if the refusal, limitation, or charge is:

(1)  based on sound underwriting or actuarial principles reasonably related to actual or anticipated loss experience; or

(2)  required or authorized by law or a regulatory mandate.

Sec. 544.604.  ENFORCEMENT ACTIONS. (a) A health maintenance organization or legal entity engaged in the business of insurance that is found to be in violation of or to have failed to comply with this subchapter is subject to the sanctions provided by Chapter 82 or administrative penalties authorized under Chapter 84.

(b)  In addition to the procedures provided by Subsection (a), the commissioner may use the cease and desist procedures authorized by Chapter 83.

SECTION 2.  Subchapter M, Chapter 544, Insurance Code, as added by this Act, does not apply to an insurance policy that is delivered, issued for delivery, or renewed before the effective date of this Act.

SECTION 3.  This Act takes effect September 1, 2021.