87R15991 RDS-F

By:  Frank, Oliverson, et al. H.B. No. 3752

Substitute the following for H.B. No. 3752:

By:  Oliverson C.S.H.B. No. 3752

A BILL TO BE ENTITLED

AN ACT

relating to the offering of health benefits by subsidiaries of the Texas Mutual Insurance Company.

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

SECTION 1.  Section 2054.107, Insurance Code, is amended to read as follows:

Sec. 2054.107.  CERTAIN RELATIONSHIPS WITH OTHER INSURERS PROHIBITED. Except as provided by Section 2054.602, the [~~The~~] company may not have:

(1)  an affiliate, spin-off, or subsidiary that writes a line of insurance other than workers' compensation insurance; or

(2)  interlocking boards of directors with an insurer that writes a line of insurance other than workers' compensation insurance.

SECTION 2.  Chapter 2054, Insurance Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. SUBSIDIARIES AUTHORIZED TO PROVIDE HEALTH BENEFITS

Sec. 2054.601.  DEFINITION. In this subchapter, "alternative health benefits" means health benefits:

(1)  provided by a subsidiary of the company that is not authorized to engage in the business of insurance in this state;

(2)  offered only to:

(A)  individuals;

(B)  small businesses with not more than 250 full-time equivalent employees; or

(C)  the company's policyholders or their employees; and

(3)  that are not:

(A)  provided through an insurance policy or other product the offering or issuance of which constitutes the business of insurance in this state; or

(B)  benefits subject to the laws governing workers' compensation in this state.

Sec. 2054.602.  HEALTH BENEFITS OFFERED BY SUBSIDIARY AUTHORIZED. (a) The company may create, acquire, or otherwise own or operate one or more subsidiaries that offer accident or health insurance or another type of health benefits or health benefit plan as provided by this subchapter.

(b)  A subsidiary of the company may offer in this state:

(1)  accident or health insurance or another type of health benefit plan authorized under this code, in accordance with a certificate of authority issued to the subsidiary under this code; or

(2)  alternative health benefits as described by Section 2054.601.

(c)  The company may not be held liable for an act or obligation of a subsidiary of the company operating under this section.

(d)  A subsidiary of the company may not offer or issue any policy, plan, or benefits under this section before January 1, 2023. This subsection expires September 1, 2023.

Sec. 2054.603.  RULES. The commissioner may adopt rules as necessary to implement this subchapter.

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