By:  Frank H.B. No. 3752

A BILL TO BE ENTITLED

AN ACT

relating to the provision of health benefits coverage through the creation of the Texas Mutual Health Coverage Plan.

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

SECTION 1.  Section 2054.001, Insurance Code, is amended to read as follows:

Sec. 2054.001.  DEFINITIONS. In this chapter:

(1)  "Board" means the board of directors of the company.

(2)  Repealed by Acts 2007, 80th Leg., R.S., Ch. 730, Sec. 3B.056, eff. September 1, 2007.

(3)  "Company" means the Texas Mutual Insurance Company.

(4)  "Workers' compensation insurance" means insurance for a risk under:

(A)  Subtitle A, Title 5, Labor Code;

(B)  Chapter 504, Labor Code;

(C)  the Longshore and Harbor Workers' Compensation Act (33 U.S.C. Section 901 et seq.);

(D)  the Federal Mine Safety and Health Act of 1977 (30 U.S.C. Section 801 et seq.);

(E)  the Defense Base Act (42 U.S.C. Sections 1651-1654);

(F)  the federal Employers' Liability Act (45 U.S.C. Section 51 et seq.);

(G)  the Nonappropriated Fund Instrumentalities Act (5 U.S.C. Sections 8171-8173);

(H)  the Outer Continental Shelf Lands Act (43 U.S.C. Section 1331 et seq.); or

(I)  the Merchant Marine Act of 1920 (46 App. U.S.C. Section 861 et seq.).

(5)  "Texas Mutual Health Coverage Plan" means a health benefit plan offered to individual residents or small employers in the state outside of the workers' compensation marketplace.

(6)  "Small employer" means a person who employed an average of at least two employees but not more than 50 employees on business days during the preceding calendar year and who employs at least two employees on the first day of the plan year. For purposes of this definition, a partnership is the employer of a partner. This term applies only to the company's health benefits coverage business.

SECTION 2.  Section 2054.151, Insurance Code, is amended to read as follows:

Sec. 2054.151.  PURPOSE OF COMPANY. The company shall:

(1)  serve as a competitive force in the workers' compensation and health benefit marketplaces;

(2)  guarantee the availability of workers' compensation insurance in this state; ~~and~~

(3)  serve as an insurer of last resort as provided by Subchapter H~~.~~; and

(4)  offer a competitive health coverage option to residents and small employers of this state.

SECTION 3.  Section 2054.152, Insurance Code, is amended to read as follows:

Sec. 2054.152.  PAYMENT OF TAXES, FEES, AND OTHER CHARGES. The company shall pay the following in the same manner as a domestic mutual insurance company authorized to engage in the business of insurance and to write workers' compensation insurance or health benefit coverage in this state:

(1)  taxes, including maintenance and premium taxes;

(2)  fees; and

(3)  payments due in lieu of taxes.

SECTION 4.  Section 2054.155, Insurance Code, is amended to read as follows:

Sec. 2054.155.  REQUIRED RESERVES. The company shall establish and maintain reserves for losses on an actuarily sound basis in accordance with Chapter 424 as applicable and Chapter 426.

SECTION 5.  Subchapter G, Chapter Section 2054, Insurance Code, is amended to read as follows:

SUBCHAPTER G. ISSUANCE OF WORKERS' COMPENSATION COVERAGE

Sec. 2054.301.  APPLICATION FOR COVERAGE. An application to the company for workers' compensation insurance coverage must be:

(1)  made on the form prescribed by the company; and

(2)  submitted directly by the applicant or by a general property and casualty agent on behalf of the applicant.

Sec. 2054.302.  POLICY FORMS. The company shall use the uniform policy and standard policy forms prescribed by the department under Section 2052.002.

Sec. 2054.303.  DENIAL OF COVERAGE BASED ON CREDIT RISK. The company may refuse to write workers' compensation insurance coverage for an applicant that the company identifies as a credit risk unless the applicant, before a policy is issued:

(1)  pays the total estimated premium and related charges; or

(2)  provides security for payment of the total estimated premium and related charges.

Sec. 2054.304.  CANCELLATION AND NONRENEWAL. The company may cancel or refuse to renew coverage on a workers' compensation policyholder as provided by Section 406.008, Labor Code.

SECTION 6.  The title of Subchapter H, Chapter Section 2054, Insurance Code, is amended to read as follows:

SUBCHAPTER H. COMPANY AS WORKERS' COMPENSATION INSURER OF LAST RESORT

SECTION 7.  Chapter 2054, Insurance Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. TEXAS MUTUAL HEALTH COVERAGE PLAN

Sec. 2054.554  AUTHORITY TO DEVELOP AND OPERATE A HEALTH BENEFITS COVERAGE PLAN. (a) The company is authorized, based upon available funding, to develop, market, and operate a health benefits coverage plan to be offered to individuals who are residents of the state, or small employers.

(b)  The board shall adopt any necessary bylaws or rules, with approval of the Texas Department of Insurance Commissioner, to establish standards governing the individuals and small employers eligible to purchase a Texas Mutual Health Coverage plan, benefit packages and plan offerings, which may include high-deductible catastrophic care options and the use of health savings accounts and flexible spending accounts, and multitiered premiums.

Sec. 2054.555.  EXEMPTION. Notwithstanding any other provision of this code, this health benefit plan is not considered to be an insurance product and, as such, is not subject to applicable state and federal regulations governing traditional health insurance coverage.

Sec. 2054.556.  ANNUAL STATEMENT; FILING FEE FOR HEALTH BENEFITS COVERAGE BUSINESS. (a) Not later than March 1 of each year, the company shall:

(1)  prepare a statement showing the condition of the company as it relates to its health benefits coverage division on December 31 of the preceding year; and

(2)  deliver the statement to the department accompanied by a filing fee in the amount determined under the commissioner.

(b)  The statement must be under oath of two of the company's officers and show in detail the following information only as it relates to the company's health benefit coverage business:

(1)  the character of the company's assets and liabilities on December 31 of the preceding year;

(2)  the amount and character of business transacted and money received during the preceding year;

(3)  how money was spent during the preceding year;

(4)  the number and amount of the company's policies in force in this state on that date; and

(5)  the total amount of the company's coverage policies in force on that date.

SECTION 8.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.