87R6144 SMT-D

By:  Menéndez S.B. No. 2071

A BILL TO BE ENTITLED

AN ACT

relating to consumer protections for accident and health insurance that excludes coverage for preexisting conditions.

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

SECTION 1.  Subtitle A, Title 8, Insurance Code, is amended by adding Chapter 1223 to read as follows:

CHAPTER 1223. PREEXISTING CONDITION COVERAGE EXCLUSIONS

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 1223.0001.  APPLICABILITY OF CHAPTER. This chapter applies to an individual or group accident and health insurance policy that excludes coverage for preexisting conditions, including:

(1)  an individual accident and health insurance policy governed by Chapter 1201;

(2)  a group accident and health insurance policy governed by Chapter 1251; or

(3)  a short-term limited-duration insurance policy governed by Chapter 1509.

Sec. 1223.0002.  RULES. The commissioner may adopt rules necessary to implement this chapter.

SUBCHAPTER B. REQUIREMENTS AND EFFECTS OF PREEXISTING CONDITION EXCLUSIONS

Sec. 1223.0101.  HEALTH INFORMATION DISCLOSURE REQUIRED. (a) An insurance policy governed by this chapter may not exclude coverage for a preexisting condition unless the application or enrollment form for the policy requires disclosure of prior illness, disease, or physical conditions or of prior medical care and treatment.

(b)  An insurer may not require a disclosure of the health information of an applicant's or enrollee's family member in an application or enrollment form for an insurance policy governed by this chapter unless the family member is also seeking coverage under the policy.

Sec. 1223.0102.  TERMINATION REQUIREMENTS. (a) An insurer may not terminate an insurance policy governed by this chapter before the expiration date except for:

(1)  failure to pay the premium or other applicable charges for coverage;

(2)  material failure to abide by rules, policies, or procedures of the plan;

(3)  fraud or misrepresentation affecting coverage;

(4)  a request from the policyholder to cancel coverage; and

(5)  a cause for termination the commissioner determines is not objectionable.

(b)  If an insurer terminates an insurance policy governed by this chapter before the policy expiration date, the insurer must send written notice to the insured that includes:

(1)  the specific reason the policy was terminated; and

(2)  notice that the insured may file a complaint with the department if the insured believes that the policy was inappropriately terminated.

SECTION 2.  Not later than January 1, 2022, the commissioner of insurance shall adopt rules necessary to implement Chapter 1223, Insurance Code, as added by this Act.

SECTION 3.  Chapter 1223, Insurance Code, as added by this Act, applies only to an insurance policy delivered, issued for delivery, or renewed on or after January 1, 2022.

SECTION 4.  This Act takes effect September 1, 2021.