

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

1 full-time equivalent employees; or

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

4 (3) that are not:

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

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

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

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

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

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

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

25 (d) A subsidiary of the company may not offer or issue any
26 policy, plan, or benefits under this section before January 1,
27 2023. This subsection expires September 1, 2023.

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

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