

By: Frank

H.B. No. 3752

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the provision of health benefits coverage through the
3 creation of the Texas Mutual Health Coverage Plan.

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

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

7 Sec. 2054.001. DEFINITIONS. In this chapter:

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

10 (2) Repealed by Acts 2007, 80th Leg., R.S., Ch. 730,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

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

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

16 (A) Subtitle A, Title 5, Labor Code;

17 (B) Chapter 504, Labor Code;

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

20 (D) the Federal Mine Safety and Health Act of
21 1977 (30 U.S.C. Section 801 et seq.);

22 (E) the Defense Base Act (42 U.S.C. Sections
23 1651-1654);

24 (F) the federal Employers' Liability Act (45

1 U.S.C. Section 51 et seq.);

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

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

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

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

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

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

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

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

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

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

27 (4) offer a competitive health coverage option to

1 residents and small employers of this state.

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

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

- 9 (1) taxes, including maintenance and premium taxes;
- 10 (2) fees; and
- 11 (3) payments due in lieu of taxes.

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

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

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

19 SUBCHAPTER G. ISSUANCE OF WORKERS' COMPENSATION COVERAGE

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

- 22 (1) made on the form prescribed by the company; and
- 23 (2) submitted directly by the applicant or by a
24 general property and casualty agent on behalf of the applicant.

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

1 packages and plan offerings, which may include high-deductible
2 catastrophic care options and the use of health savings accounts
3 and flexible spending accounts, and multitiered premiums.

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

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

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

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

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

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

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

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

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

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

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