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H.B. No. 3924

A BILL TO BE ENTITLED

AN ACT

relating to health benefits offered by certain nonprofit
agricultural organizations.

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

SECTION 1. The heading to Subtitle K, Title 8, Insurance
Code, is amended to read as follows:

SUBTITLE K. CERTAIN BENEFITS AND ARRANGEMENTS THAT ARE NOT
INSURANCE [~~HEALTH CARE SHARING MINISTRIES~~]

SECTION 2. Subtitle K, Title 8, Insurance Code, is amended
by adding Chapter 1682 to read as follows:

CHAPTER 1682. HEALTH BENEFITS PROVIDED BY CERTAIN NONPROFIT
AGRICULTURAL ORGANIZATIONS

Sec. 1682.001. DEFINITIONS. In this chapter:

(1) "Nonprofit agricultural organization" means an
organization that:

(A) is exempt from taxation under Section 501(a),
Internal Revenue Code of 1986, as an organization described by
Section 501(c)(5) of that code;

(B) is domiciled in this state;

(C) was in existence prior to 1940;

(D) is composed of members who are residents of
at least 98 percent of the counties in this state;

(E) collects annual dues from its members; and

(F) was created to promote and develop the most

1 profitable and desirable system of agriculture and the most
2 wholesome and satisfactory conditions of rural life in accordance
3 with its articles of organization and bylaws.

4 (2) "Nonprofit agricultural organization health
5 benefits" means health benefits:

6 (A) sponsored by a nonprofit agricultural
7 organization or an affiliate of the organization;

8 (B) offered only to:

9 (i) members of the nonprofit agricultural
10 organization; and

11 (ii) family members of members of the
12 nonprofit agricultural organization;

13 (C) that are not provided through an insurance
14 policy or other product the offering or issuance of which
15 constitutes the business of insurance in this state; and

16 (D) that are deemed by the nonprofit agricultural
17 organization to be important in assisting its members to live long
18 and productive lives.

19 (3) "Preexisting condition" means a condition present
20 before the effective date of an individual's enrollment in
21 nonprofit agricultural organization health benefits.

22 Sec. 1682.002. NONPROFIT AGRICULTURAL ORGANIZATION HEALTH
23 BENEFITS AUTHORIZED. A nonprofit agricultural organization or an
24 affiliate of the organization may offer in this state nonprofit
25 agricultural organization health benefits.

26 Sec. 1682.003. WAITING PERIOD FOR PREEXISTING CONDITION.
27 Notwithstanding any other provision of this chapter, a nonprofit

1 agricultural organization that offers nonprofit agricultural
2 organization health benefits may not require a waiting period of
3 more than six months for treatment of a preexisting condition
4 otherwise included in nonprofit agricultural organization health
5 benefits.

6 Sec. 1682.004. REQUIRED DISCLOSURE BY NONPROFIT
7 AGRICULTURAL ORGANIZATION. (a) A nonprofit agricultural
8 organization that offers nonprofit agricultural organization
9 health benefits must provide to an individual applying for
10 nonprofit agricultural organization health benefits written notice
11 that the benefits are not provided through an insurance policy or
12 other product the offering or issuance of which is regulated as the
13 business of insurance in this state.

14 (b) An individual must sign and return to the nonprofit
15 agricultural organization the notice described by Subsection (a)
16 before the individual may enroll in nonprofit agricultural
17 organization health benefits. The nonprofit agricultural
18 organization must:

19 (1) maintain a copy of the signed written notice for
20 the duration of the term during which the nonprofit agricultural
21 organization health benefits are provided to the individual; and

22 (2) at the request of the individual, provide a copy of
23 the written notice to the individual.

24 Sec. 1682.005. NONPROFIT AGRICULTURAL ORGANIZATION NOT
25 ENGAGED IN BUSINESS OF INSURANCE. Notwithstanding any other
26 provision of this code, for the purposes of offering nonprofit
27 agricultural organization health benefits, a nonprofit

1 agricultural organization that acts in accordance with this chapter
2 is not an insurer and is not engaging in the business of insurance
3 in this state.

4 Sec. 1682.006. RISK TRANSFER OR COVERAGE. A nonprofit
5 agricultural organization that offers nonprofit agricultural
6 organization health benefits under this chapter may contract with a
7 company authorized to engage in the business of insurance in this
8 state that is not under common control with the nonprofit
9 agricultural organization to:

10 (1) transfer to that company all or a portion of the
11 organization's risks arising from nonprofit agricultural
12 organization health benefits offered under this chapter; or

13 (2) obtain insurance coverage from the company
14 guarantying the nonprofit agricultural organization's obligations
15 arising from nonprofit agricultural organization health benefits
16 offered under this chapter.

17 Sec. 1682.007. APPLICABILITY OF CERTAIN LAWS TO NONPROFIT
18 AGRICULTURAL ORGANIZATION HEALTH BENEFITS. Notwithstanding
19 Section 1682.004, a nonprofit agricultural organization that
20 offers nonprofit agricultural organization health benefits that
21 are determined by the commissioner to be structured in the manner of
22 a preferred provider benefit plan or an exclusive provider benefit
23 plan, as those terms are defined by Section 1301.001, is subject to
24 the following laws and rules as if the nonprofit agricultural
25 organization were an insurer, individuals entitled to nonprofit
26 agricultural organization health benefits were insureds, and the
27 nonprofit agricultural organization health benefits were provided

1 through an insurance policy subject to Chapter 1301:

2 (1) Section 1301.005;

3 (2) Section 1301.0053;

4 (3) Section 1301.0055;

5 (4) Section 1301.006;

6 (5) Section 1301.010;

7 (6) Section 1301.155;

8 (7) Section 1301.164;

9 (8) Section 1301.165;

10 (9) Chapter 1467; and

11 (10) 28 T.A.C. Chapter 3, Subchapter X.

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