

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

1 coverage for a preexisting condition unless the application or
2 enrollment form for the policy requires disclosure of prior
3 illness, disease, or physical conditions or of prior medical care
4 and treatment.

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

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

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

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

17 (3) fraud or misrepresentation affecting coverage;

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

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

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

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

26 (2) notice that the insured may file a complaint with
27 the department if the insured believes that the policy was

1 inappropriately terminated.

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

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

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