

By: Wharton

H.B. No. 3508

A BILL TO BE ENTITLED

AN ACT

relating to an insurer's responsibility to review and audit a third-party administrator.

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

SECTION 1. The heading to Section 4151.1042, Insurance Code, is amended to read as follows:

Sec. 4151.1042. RESPONSIBILITIES OF INSURER; [~~SEMIANNUAL~~]
AUDIT AND REVIEW REQUIREMENTS.

SECTION 2. Section 4151.1042(c), Insurance Code, is amended to read as follows:

(c) If an administrator administers benefits for more than 100 certificate holders, injured employees, plan participants, or policyholders on behalf of an insurer, the insurer shall, at least semiannually, conduct a review of the operations of the administrator. At least biennially, the insurer shall conduct an [~~on-site~~] audit of the operations of the administrator.

SECTION 3. This Act takes effect September 1, 2025.